

25 July 2018

Velpic Quarterly Activities Report

Quarter Ended 30 June 2018

- June quarter invoiced SaaS recurring revenue of \$217k, up 71% on prior corresponding period.
- SaaS Annualised Committed Monthly Revenue of \$845k, up 52% on prior corresponding period.
- Closing cash at 30 June 2018 of \$1.9m to provide for growth opportunities.
- Sale of customer contracts and resulting cost savings will provide the Company with the capital to investigate new investment opportunities.

Velpic Limited (ASX: VPC) (the “Company”) is pleased to provide an update of the Company’s activities for the quarter ended 30 June 2018.

Financial

Annualised Committed Monthly Revenue (ACMR): Velpic’s recurring annualised SaaS revenue increased to \$845k for the end of the June 2018 quarter. This represents a 52% increase compared to \$555k for the end of the June 2017 quarter.

Quarterly Invoiced SaaS Recurring Revenue: Velpic’s SaaS quarterly revenue increased to \$217K for the June 2018 quarter. This represents a 71% increase compared to \$127k for the June 2017 quarter.

The Company completed the quarter with a cash position of approximately \$1.9m and is sufficiently funded to investigate new investment opportunities.

Operations

As previously announced to the ASX, the Company has received an offer to purchase the Company's customer book. The Company is restructuring so as to continue client support and accept new clients in a seamless transition to the purchaser.

Restructuring of the business to result in reduced number of staff. The Company's operating costs will be reduced substantially allowing for cash to be conserved and directed towards new investment opportunities.

Corporate

Board Evolution

The Company was pleased to announce the appointment of Chris Mews to the Board of Directors during the period. Chris has joined the Board to support the Company through its next phase of organic growth and as Velpic seeks opportunities that can enhance shareholder value. Chris is currently the Chief Financial Officer of the Merchant Group. His appointment followed the resignation of Russell Francis.

Ends

For further information, please contact:

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Velpic LMS

Velpic has developed a unique online platform that provides a scalable, cloud-based training, induction and education solution for businesses. The platform allows companies 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, and Velpic already has an extensive list of ASX 200 clients using the platform.

Velpic Safety

Velpic Safety is a unique platform for all organisations concerned with security of staff, clients and assets. The platform allows businesses to manage and respond to any security incidents as well as providing proactive personal security training online. Powered by NowForce, Velpic Safety provides user-friendly solutions for personal safety apps, cloud-based computer aided dispatch and mobile response tools to reduce response times, increase situation awareness and enhance communications in security and public safety situations. NowForce is an industry disrupting, one-stop solution for campus security, private security and public safety organisations and has been named as a Top 10 Homeland Security Solution Provider by govCIO in the USA.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Pursuant to Listing Rule 4.7B(b), this Quarterly Report will be the last lodged by the Company, it having complied with the requirement under the Listing Rules to provide the same to ASX for the first eight quarters following its re-admission under Listing Rule 11.1.3

Name of entity

Velpic Limited

ABN

65 149 197 651

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	589	2,286
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(134)	(482)
(c) advertising and marketing	(118)	(409)
(d) leased assets	-	-
(e) staff costs	(852)	(3,711)
(f) administration and corporate costs	(207)	(690)
(g) good and services tax paid	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes benefit (R&D incentive)	-	226
1.7 Government grants and tax incentives	-	-
1.8 Other - tenement costs	-	-
1.9 Net cash from / (used in) operating activities	(719)	(2,767)

2.	Cash flows from investing activities		
2.1	Payments to acquire/disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	(1,407)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(1,407)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,220
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(18)	(348)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(18)	2,872

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,685	3,250
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(719)	(2,767)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1,407)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18)	2,872
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,948	1,948

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	1,948	2,685
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,948	2,685

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
73
-

Fees and salaries paid to Directors

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Services related to capital raising.

8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
Add notes as necessary for an understanding of the position		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter*	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	182
9.3 Advertising and marketing	120
9.4 Leased assets	-
9.5 Staff costs	678
9.6 Administration and corporate costs	181
9.7 Other (provide details if material)	-
- capital raising costs	-
- investment	-
9.8 Total estimated cash outflows*	1,161

* The estimated cash outflows for the quarter will be partially offset by the cash inflows for the quarter.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Date: 31 July 2018
Date:

Company Secretary

Print name: ... Catherine Anderson ..

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.