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VELPIC ACTIVATES NEW REVENUE STREAMS

First Clients Secured for On-Demand And Lesson Marketplace Features

Highlights

- Commencement of On-Demand and Lesson Marketplace offerings, opening two new revenue streams and creating a new market opportunity for existing and new customers
- Automotive Holdings Group Limited now using On-Demand feature, which allows end users to view video lessons at any time without scheduling, with special rates for repeated lessons
- Commencement of Lesson Marketplace offering, a platform where pre-developed content from industry experts can be purchased by customers and then customised to their own needs
- Lesson Marketplace consistent with long-term growth strategy of providing flexible solutions for SMEs
- New revenue streams to boost SaaS revenue and PPV fees and builds on existing Enterprise and Reseller revenue streams

Velpic Group (ASX: VPC) ('Velpic' or the 'Company') is pleased to announce the commencement of its On-Demand and Lesson Marketplace features, with new clients secured for each of the offerings and diversifying the Company's revenue streams with two new sources.

Both the On-Demand and Lesson Marketplace features enhance Velpic's customer service offering and opens a market opportunity for existing and new customers while bolstering the Company's SaaS revenue and Pay Per View fees.

On-Demand Feature

Existing client Automotive Holdings Group Ltd (AHG) has commenced using the On-Demand feature, which was developed following high customer demand from the Company's existing clients. AHG is an ASX-listed diversified automotive retailing and logistics group with operations throughout Australia and New Zealand. The On-Demand feature provides organisations the flexibility to offer a library of video lessons without the need for scheduling and for staff to view lessons when and where it is most convenient for them.

On-Demand customers will pay a complete Pay Per View fee for the first lesson, with repeat lessons being charged at a reduced rate. This promotes customer retention and increases the ongoing revenue potential from our client channels.

Lesson Marketplace Feature

The Company has commenced its Lesson Marketplace offering, a cloud-based lesson store where Velpic, in collaboration with third parties, have curated a library where pre-developed eLearning content from industry

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experts can be purchased by customers. Once purchased, these lessons can be customised by the client for their own specific training needs and brand.

Lessons on workplace harassment and manual handling are already available and the creation of further lessons is underway. Revenue from the Lesson Marketplace is to be shared between Velpic, as the platform provider, and the third party who created the content.

Existing Velpic customers, including Alcoa Limited and Direct Group Pty Ltd, have already purchased lessons from the Lesson Marketplace.

The new Lesson Marketplace feature is consistent with Velpic's long-term strategy of providing an eLearning platform that is flexible and accessible to SMEs, which represents another major sales channel for the Company in addition to the Enterprise and Reseller channels. The SME channel will be activated with the launch of Version 3.0 of the Velpic eLearning platform and remains on track for completion in Q3 CY2016.

Velpic Chief Executive, Russell Francis, commented:

"Velpic's new On-Demand and Lesson Marketplace offerings diversifies our business by opening two new valuable revenue channels for the Company. Moreover, the features are consistent with our long-term strategy of providing easy and accessible solutions for our clients."

"The On-Demand Library feature will allow organisations to enhance the learning experience of their staff, and make learning through Velpic significantly more flexible. Additionally, the Lesson Marketplace will see Velpic provide a variety of workplace related lessons from industry experts that can be purchased and then customised by customers. The Lesson Market Place also simplifies and speeds up the on-boarding of new clients, particularly as we look towards the SME market in 2016. Both of these new offerings are a win for our clients and are in line with our growth strategy of client acquisitions and expanding market share."

****ENDS****

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About the Velpic Group

The Velpic Group consists of two related entities: Velpic, a cloud-based video e-Learning platform, and Dash Digital, a brand technology agency.

Velpic has developed a unique online platform that provides a scalable, cloud-based training, induction and education solution for businesses. The platform allows businesses 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.

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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.

Dash Digital is a full service digital branding, marketing, web and app development organisation that seamlessly blends creative and development talents across all disciplines – visual design, print graphics, websites, software development and online marketing.

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