



# VELPIC INVESTOR UPDATE

September 2016

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# 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



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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



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- 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

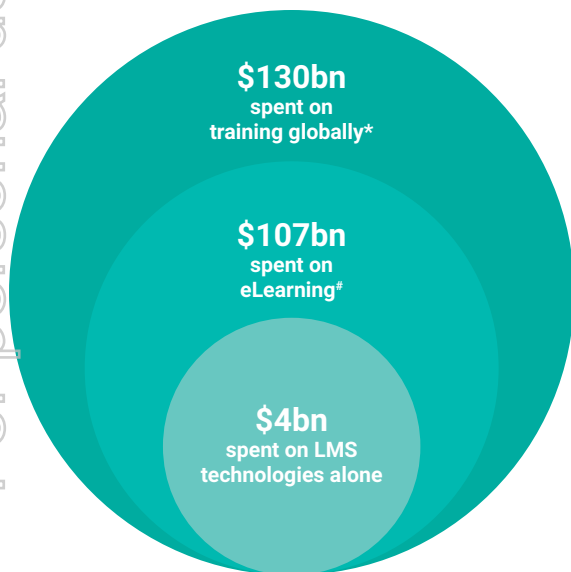
# LMS Market – Poised for Rapid Growth



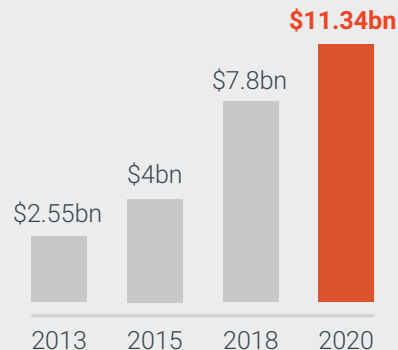
## Learning Management System

- 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

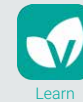
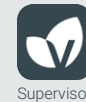
\*National Research Business Institute





## 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](http://www.canterbury.com.au)



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



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



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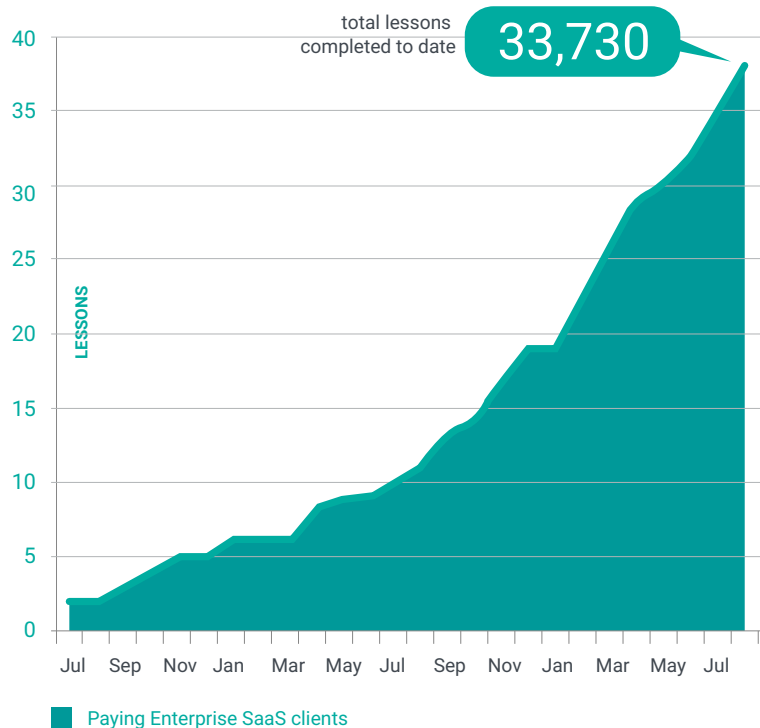
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# Proven Business



- 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



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- 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

# 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



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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



**\$11.3bn**  
to be spent  
on LMS

2020

**\$4bn**  
spent  
on LMS

2015

22.8% year on  
year growth.

# Enterprise Pricing Scenario



## International Sales and Logistics Business

**7,000+ Staff**

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

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### With Velpic

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

**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**

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

Cost to complete 2 Induction Lessons in Velpic	<b>\$12</b>
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**Saving over 99% per employee** compared  
to traditional instructor-led inductions



# 2016 Growth Strategy



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# Thank you

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

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

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