

29 FEBRUARY 2016

## DECEMBER 2015 HALF YEAR REPORT

### *Completed Acquisition Drives Strong Revenue Growth*

#### Highlights

- Substantial revenue growth driven by part contribution of Velpic Group's business operations
- Completed acquisition of Velpic and Dash Digital, with associated capital raising strengthening cash reserves to \$3.25m
- Velpic well positioned to continue strong customer growth momentum, activate third major sales channel and commence international expansion

**Velpic Ltd** (ASX: VPC) ("Velpic Group" or the "Company") has today released the Company's Half-Year Report and Appendix 4D for the six months to 31 December 2015.

The results for the reporting period reflect the changed principal activities of the Company from exploration to technology following the completed acquisition of Velpic and Dash Digital on 22 October 2015. As such, the half-year results include approximately two month's contribution from Velpic and Dash Digital to the Company's overall operations from 22 October 2015 to 31 December 2015.

#### Financial Results

Revenues for the reporting period were \$581,017, a substantial increase on the prior corresponding period of \$16,774. The acquisition of Velpic and Dash Digital was the key driver of revenue growth during the period. Velpic and Dash Digital continue to grow its client and revenue base via fees from SaaS (Software-as-a-Service), Pay Per View (PPV) and professional services, contributing to total revenues.

The loss from ordinary activities includes substantial non-recurring expenses that were incurred when the Company's principal activity was exploration, as well as one-off costs associated with the acquisition of Velpic and Dash Digital. The net loss after adjusting for these non-recurring items was \$642,952. The non-recurring costs include the write off of exploration costs (\$1,200,720), re-compliance and acquisition costs (\$174,596) and share based payments (\$342,787) resulting in a group net loss of \$2,361,055.

As part of the acquisition, the Company completed a successful capital raising of A\$4 million through an equity placement to new and existing domestic investors. Funds from the capital raising are currently being applied to:

- Accelerate sales growth of the Velpic eLearning platform across Australia's east coast
- Complete development of and launch a SME version of the platform to better access the small business sector
- Expand its customer presence internationally

At the end of the reporting period, the Company's cash position was \$3.25 million.

**Velpic Chief Executive, Russell Francis, commented:**

*"We are extremely encouraged by the strong revenue growth in the Company, given that Velpic and Dash Digital's contribution was only for a portion of the reporting period."*

*"This solid footing enables Velpic to continue executing its growth strategy of increased client acquisition and market penetration, particularly as it looks to activate the third channel of its Three Pillar Sales Strategy, with the launch of the SME version of the Velpic eLearning platform in the coming months."*

**\*\*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.

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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