

2 August 2016

Rapid Start to International Expansion

Highlights

- Velpic has made a rapid start to its international expansion plans, successfully tendering for G-Cloud in the UK and fully integrating with ADP in the USA
- Velpic approved as a vendor on the United Kingdom Government procurement platform, G-Cloud, giving access to over 38,000 public sector buyers
- Velpic fully integrated into ADP's global human resources Marketplace, designed to help employers manage an ecosystem of complementary enterprise applications
- Represents a substantial commercial milestone, expanding Velpic's international addressable market opportunities for its eLearning platform

Velpic Limited (ASX: VPC) ("Velpic" or "the Company") is pleased to announce the rapid progression of its international expansion. Velpic has successfully tendered for inclusion into the UK Government portal, G-Cloud and has completed full integration into the ADP Marketplace.

G-Cloud

G-Cloud is the procurement tender platform mandated by the UK government for buying decisions of public sector organisations. It replaces the tender process, fast tracking purchasing decisions for UK public sector bodies.

Consistent with the Company's international expansion strategy, inclusion on G-Cloud is an important commercial step for Velpic. Moreover, it validates the reliability of Velpic's service. Stringent security conditions had to be met to satisfy G-Cloud's demands, including, but not limited to:

- data in-transit protection

- asset protection and resilience
- governance
- vulnerability and incident management
- supply-chain security
- identity and authentication
- secure service administration and more

Over GBP18bn of purchasing decisions are expected to be made over the G-Cloud platform in the coming 3 years, with over GBP1bn of purchases having already been transacted to date on G-Cloud since 2012.

Over 38,000 public sector buyers including government departments, local councils, schools and libraries are now able to sign up to Velpic's eLearning platform through G-Cloud and become clients of the Company, utilising the tool for their operations.

UK public sector buyers that sign on to Velpic will pay SaaS subscription revenue fees for access to Velpic's video eLearning platform, along with Pay Per View (PPV) fees for each lesson completed.

ADP (NASDAQ:ADP)

Velpic's eLearning platform has been fully integrated into NASDAQ-listed ADP's global human resources management Marketplace.

ADP's Marketplace allows employers to manage business applications in one simple and secure location. Inclusion of Velpic's platform into the ADP Marketplace gives Velpic an addressable market of 630,000 ADP customers in more than 100 countries.

Integration into the ADP Marketplace significantly enhances the accessibility of the Velpic platform. Employers throughout the globe will now be able to purchase Velpic's solutions on the ADP's global catalogue of services.

Integration includes sales being completed through ADP's own payment gateway and Velpic has taken this opportunity to introduce new per seat pricing for the platform. Hence users who sign up to Velpic's platform via ADP will pay a price per user for access to Velpic's video eLearning platform.

The inclusion of Velpic's eLearning platform into G-Cloud and integration into ADP's Marketplace represent substantial commercial milestones for the Company. Additionally, it expands the international addressable market for Velpic and activates new major sales channels.

The Company expects revenue uplift opportunities from its international operations.

Velpic Chief Executive, Russell Francis commented:

"The major reason for our recent successful capital raise was to facilitate international expansion and accordingly we are delighted to make such significant early progress. The inclusion of Velpic's eLearning platform on the UK Government's G-Cloud and the integration into the global ADP Marketplace are both enormous commercial milestones in Velpic's history.

"These developments significantly expand Velpic's international addressable market for its eLearning platform and makes our platform more easily available to thousands of employers globally."

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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.