

30 October 2015

## Quarterly Activities Report – September 2015

- **Successful \$4m capital raising**
- **Acquisition of Velpic complete**
- **Former Top Xero Executive and SaaS expert joins Velpic Board**
- **Velpic wins Most Disruptive CIO/CTO in the 2015 Talent Unleashed Awards**
- **New On-Demand Video feature launched**
- **Velpic wins new agri-business client**
- **Velpic signs commercial agreement with leading direct to consumer marketing group**

Velpic Limited (formerly International Coal Ltd) (ASX: VPC) (**Company**) is pleased to provide the following quarterly activities report for the quarter ending 30 September 2015.

### **Successful \$4.0m capital raising and settlement of Velpic Transaction**

Subsequent to quarter end, the Company advised that it had closed the Offer and Consideration Offer under its prospectus dated 9 September 2015 (**Prospectus**). The Prospectus raised in excess of \$4,000,000 (before costs). Additionally, the Company confirmed that it had settled on the acquisition of Velpic.

### **Former Top Xero Executive and SaaS Expert joins Velpic Board**

During the quarter the Company announced that former top Xero Executive and SaaS Expert, Leanne Graham, agreed to join the Board of Velpic as a Non-Executive Director. Ms Graham, a leading and successful SaaS (Software as a Service) expert, brings a wealth of technology experience and corporate expertise to the role. Having established herself as one of New Zealand's leading technology entrepreneurs and successful executives, Ms Graham has built a name for herself by holding a wide range of leadership roles across the technology software sector, from start-ups to established businesses.

Ms Graham joins the Board of Velpic at an important stage of growth for the business. Her role will be to provide strategic advice on both customer acquisition and international expansion for the business.

As the former General Manager and Head of Sales of the \$2.1 billion SaaS-based accounting software company Xero, Ms Graham was instrumental in the strategic growth and development of the New Zealand operations. During her tenure from 2009 to 2012, the business grew

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substantially from 4,000 customers to over 120,000 increasing revenues by 500%, and establishing close to 100% of the country's accounting businesses as Xero's client base.

Ms Graham continued her success of driving and accelerating growth for early stage businesses by joining GeoOP as Chief Executive Officer, a New Zealand-based mobile employment management platform where she led the company to list on the New Zealand Stock Exchange and oversaw a major partnership deal with Telstra in Australia.

A successful entrepreneur with 28 years' experience specialising in software solutions for clients, Ms Graham demonstrates a proven track record of developing and executing strategies that enable emerging and established SaaS companies to effectively leverage their software capabilities through cloud and mobile opportunities.

Ms Graham is also the co-founder and director of iExecute SaaS Ltd, a consulting business advising early stage and established SaaS companies on business strategy and execution.

Ms Graham joined the Board subsequent to quarter end.

Additionally, Mr Russell Francis, Mr Glen Moora and Mr Patrick Connell were appointed as Directors of the Company following settlement of the Velpic transaction. Mr Hugh Dai and Mr Noel Halgreen resigned as Directors of the Company.

### **Velpic Awarded Most Disruptive CIO/CTO in the 2015 Talent Unleashed Awards**

Velpic announced on 16 September 2015 that its Managing Director, Mr Russell Francis won the prestigious Most Disruptive CIO/CTO at the Talent Unleashed Awards.

The Talent Unleashed Awards were judged by a panel of seven high-profile judges from around the world, including Sir Richard Branson, founder of Virgin Group, Steve Wozniak, Apple co-founder, a Silicon Valley icon and philanthropist for more than 30 years and SEEK CEO Andrew Bassat on Friday, 11 September 2015.

Velpic was awarded Most Disruptive CIO/CTO by Sir Richard after Russell Francis, Chief Executive of Velpic successfully edged out Air New Zealand's Julia Raue.

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Velpic competed with other category winners such as Clickability, a disability service directory, CareMonkey, a user-controlled solution that automates gathering medical information, emergency contacts and permission forms from members and employees, Be Intent, a technology that helps solve the issues of stress, bullying and overwhelm in the workplace and TEMANDO, a logistics platform, for the final prize, a trip to Necker Island.

### **New On-Demand Video feature opens customer service market opportunity for Velpic**

Velpic advised during the quarter that it has launched a new On-Demand Library feature, enabling users of its video eLearning platform to create a library of video lessons that are available to their staff at any time and viewed without being scheduled.

The On-Demand Library feature enables organisations to support continuous learning for their staff and creates a market opportunity potential across customer service offerings and after market support.

The additional feature has been developed in response to high customer demand from Velpic's existing clients. Lessons added to the Library can be viewed as many times as a user requires, from anywhere and anytime, with repeated lessons charged at a reduced pay per view rate.

### **Velpic Wins New Agri-business Client**

Velpic announced during the quarter that it had been appointed by Olam Australia International ("Olam"), the wholly owned subsidiary of a leading global international agri-business Olam International ("Olam Group"), to provide video eLearning technology solutions for over 500 employees.

In line with Velpic's growth strategy, this new customer win not only expands Velpic's presence throughout the east coast of Australia, it opens up significant opportunity for the Company to expand further into the agricultural sector, a sector predicted to have strong growth potential for Australia.

Listed on the Singapore Exchange, the Olam Group has operations across in 65 countries around the globe and supplies food and industrial raw materials to over 13,800 customers worldwide. With a global team of 23,000 employees, it has a strong leadership position in many agricultural sectors including cocoa, coffee, cashew, rice and cotton.

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The Velpic eLearning platform will initially be utilised by over 500 Olam office employees and seasonal farming workers across Queensland, New South Wales and Victoria to provide Human Resources and Occupational Health and Safety induction training. Olam will be creating video training lessons in-house using Velpic's authoring tool and distributing them to workers across its Australian sites.

Velpic's video eLearning platform has the potential to transform the training, education and induction space. Delivering lessons visually, it is able to deliver a 70% reduction in training costs for employers, and for employees it can deliver up to a 60% increase in content retention as well as a 60% faster learning curve.

### **Commercial Agreement Signed with Leading Direct to Consumer Marketing Group**

Velpic advised on 1 September 2015 that it had signed a commercial agreement to provide its video eLearning lessons to a new client, an established, Sydney-based, leading direct to consumer marketing company with over 700 employees.

The retail group is a specialist direct marketer which operates in Australia and New Zealand, offering a wide variety of products to millions of loyal customers through many well-known brands via television, targeted websites and online marketing.

Velpic will provide the retail group access to its eLearning platform for the creation of video induction lessons for all its new employees. In addition, the retail group has purchased one of Velpic's professionally created lesson modules that can be customised for delivery to all its employees.

Under the agreement, Velpic will receive subscription fee revenue for providing the retail group with access to the eLearning platform to create its induction video lessons. In addition, Velpic will receive pay per view fees for every induction and pre-made module lesson completed by the retail group's employees.

This agreement opens up a significant opportunity for the Company to expand further into the retail industry, a sector valued at over \$23bn in Australia\*, with strong demand for high-quality training. It also expands Velpic's east coast customer base in line with the Company's Australian growth strategy.

The Company has received conditional approval from the ASX to be reinstated to official quotation. The Company is currently working through ASX's requirements.

Russell Francis  
Managing Director  
Velpic Limited

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