

26<sup>th</sup> July 2018

## Vault Intelligence Limited June Quarterly Report and Appendix 4C

### Vault Achieves Market Forecast of Contracted ARR for FY18 and Generates Record Cash Receipts

Vault Intelligence Limited (**ASX:VLT**) (**Vault** or **the Company**), the leading SaaS business delivering solutions in the Risk, Environment, Health and Safety (**EHS**) sector is pleased to provide its quarterly report for the final quarter of the 2017 - 2018 financial year (FY18).

#### June Quarter Highlights



**Record new Contracted Annualised Recurring Revenue (CARR) of \$512,200**

Record new contracted ARR, representing growth of 14% on the previous high quarter (\$451,000).



**Record Total Cash Receipts break the \$1m barrier**

Total cash receipts from customers reached \$1.02m which is the first quarter this has been achieved by the Group.



**Record CARR Growth of 76% Year on Year (YoY)**

New contracted CARR for FY18 totaled \$1.75m; representing 76% YoY growth on FY17.



**FY18 total CARR achieves \$4m Market forecast**

Total CARR for FY18 reached \$4.05m which delivers on the market forecast set 12 months earlier.



**Product Range lifted to new levels**

Extensive development and refinement of the product range has occurred during the quarter to meet the anticipated strong demand and growth in FY19 for Vault 3 Enterprise and Vault Solo Lone Worker.



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

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## Vault Performance

The final quarter of FY18 was excellent with Vault delivering record results in the two areas of performance criteria used by the Company to monitor business performance; cash receipts and CARR.

Cash receipts for the quarter saw the business break through the \$1m barrier of cash received from customers for the first time, primarily from sales of Vault 3 (V3). Key cash receipts metrics are as follows:

- Annual cash receipts from customers for FY18 totaled \$3.75m
- Cash receipts from customers for Q4 of FY18 totaled \$1.02m
- FY18 second half cash receipts (including the receipt of the R&D tax incentive) increased 24% on the first half results of FY18

Vault delivered on its \$4m market forecast of CARR for FY18 which is a credible performance given the first half of FY18 CARR was impeded due to the delay in the upgrade of the enterprise platform to the new flagship V3. CARR for the final quarter hit \$512k, a rise of 14% on the previous record high recorded in Q3.

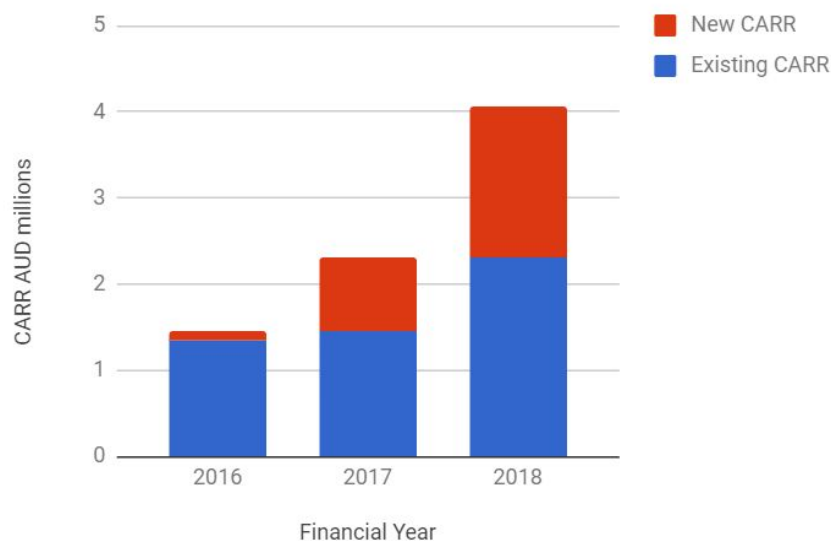
Key growth metrics are as follows:

- Total CARR achieved at end of FY18 was \$4.05m representing an impressive YoY growth rate of 76%
- New CARR achieved for the year totaled \$1.75m in comparison to the previous year's \$841k; an uplift of 108%
- CARR for Q4 FY18 reached record levels for a quarter totalling \$512k
- FY18 second half CARR increased 25% on the first half result achieved in FY18

Vault Solo pre-sales interest is gaining momentum with new and existing customers committing to both the purchase and conduct of trials. The successful trial and deployment of Vault Solo across the current client base and potential new large customers is expected to accelerate in FY19.

FY19 will also see additional revenue streams generated by the anticipated rollout of Chinese V3 and apps into China customers and expansion of the South-East Asia customer base.

## Contracted ARR at completion of FY 18



## Contracted Annualised Recurring Revenue (CARR)

CARR is defined as the annualised recurring revenue of all active software subscription services being delivered by Vault, plus the annual recurring revenue of any software subscriptions that have been contracted but are yet to have their services commenced. Due to the Enterprise nature of the Vault software, there are timing differences between the time of new contract signing and the commencement of service delivery to the new contracted party.

For financial reporting purposes, the Company adheres to AASB 15 – Revenue from Contracts with Customers, and revenue is recognised over the term of the services delivered. As a guide, the revenue stream typically commence within two to six months of contract signing.

## Vault Performance Metrics

### KEY METRICS

**\$512K**

NEW CARR THIS  
QUARTER

**↑ 14%**

CARR QOQ  
GROWTH

**\$4.05M**

TOTAL CARR FY18

**↑ 76%**

CARR YOY  
GROWTH

**\$1.02 M**

TOTAL CASH RECEIPTS  
THIS QUARTER

**↑ 10%**

CASH RECEIPT GROWTH  
ON PREVIOUS QUARTER

**\$28.35 M**

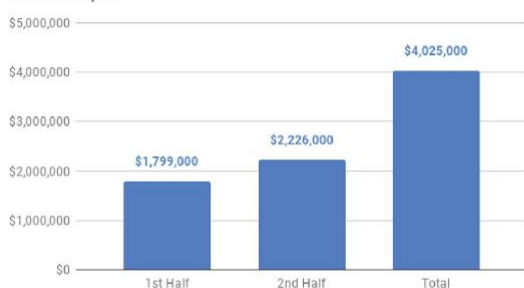
TLTV  
\*BASED ON 7 YEAR INDUSTRY AVERAGE

**96%**

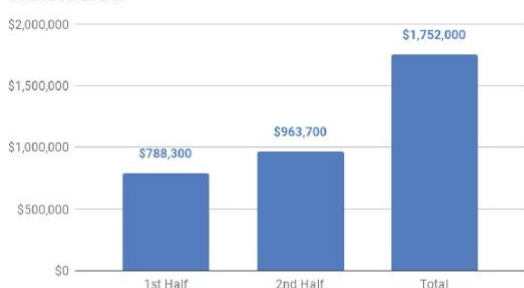
CUSTOMER RETENTION  
RATE

### FINANCIAL YEAR 2018

Cash Receipts

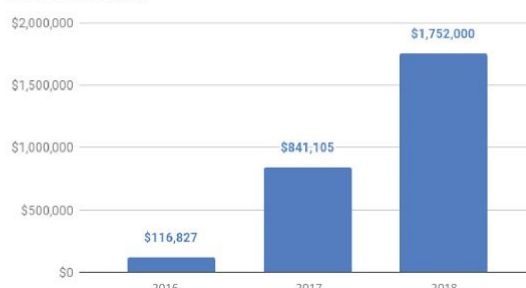


Contracted ARR

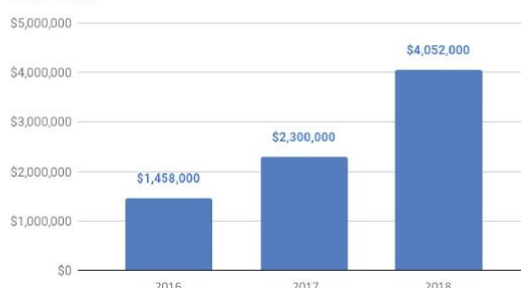


### CARR GROWTH

New CARR Growth



Total CARR



## Strategy and Deliverables FY19

Two new Board members have been appointed to strengthen the capability of the Vault Board in order to drive and deliver the Company's strategy in the key areas of:

- 5 year strategic plan
- Global SaaS operations across the product suite
- Penetration and delivery on China and SEA markets
- Business profile, branding and digital marketing
- Product evolution encompassing AI and IOT
- Scalability through major partners, distributors and telecommunication networks

The focus at the operational level is to deliver on the following:

- Secure large telecommunication, hardware and distribution channel partners
- Further enhance the partner program to maximise scalability and reach
- Continue the sales penetration and focus across Australasia
- Successfully grow and expand the Vault Solo suite globally
- Capitalise on the foundations made into the China and SEA markets
- Increase market awareness of Vault branding and products
- Improve and enhance our support and management of our customer base
- Drive quality, performance and capability of Vault products

## Corporate Financial Notes

The Company ended the quarter with AUD equivalent funds of \$3.0m in cash and receivables and is well positioned financially to continue the growth and development of the business.

Significant investment in the Vault suite of products has occurred during the financial period. This is considered essential to ensuring the ongoing and continued growth and momentum that the business has demonstrated this quarter with record CARR and cash receipts.

The Company continued to spend on new product development and sales. The \$804k loss from operations for the quarter was mainly attributable to product development and sales spend together with several large annual lump sum payments made in the quarter. The burn rate is expected to drop over upcoming quarters and Vault is committed to, and is on track to driving the business to a cash positive position during FY19 as focus moves to driving sales into V3 and Vault Solo.

Research and Development (R&D) expenditure by the business will be offset by the Australian Government R&D tax offset fund that Vault has gained approval for from the Government to access. The refund will assist with ongoing development expenses and is anticipated to be received in the last quarter of this calendar year.

The Company successfully achieved the \$4m CARR market target used as its key metric, with \$4.05m in CARR achieved for FY18. This momentum is anticipated to carry into FY19 with continued strong commitment and interest to current and future Vault products.

Ends.

For more information:

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22k+  
Mobile App Users

830+  
Businesses

30+  
Industry Sectors

400+  
Enterprise Customers

1m+  
Workers Protected

## About Vault Intelligence Limited

Vault Intelligence Limited (ASX: VLT) is an online/SaaS development business specialising in creating solutions in the Risk, Environment, Health and Safety (EHS) sector. Vault operates across more than 30 industries and in several parts of the world.

Vault's leading cloud-based systems provide its clients with the benefits of cost savings and the availability of real-time information to monitor, maintain and improve their businesses. Driven by a passionate team of developers and EHS industry experts, Vault delivers its enterprise-level software and mobile solutions to 1,000,000+ people across 30 industries.

To find out more about how Vault solutions can help to minimise risk and boost effectiveness in your workplace, visit [www.vaultintel.com](http://www.vaultintel.com)



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## Caution Regarding Forward Looking Statements

*This announcement may contain forward looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. Unless expressly stated, the Company does not provide any forecast regarding revenues that maybe derived from a particular customer contract, as such revenues are generally dependent upon the extent of the usage of the Company's product suite. Any forward looking statements are made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results or otherwise.*

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Vault Intelligence Ltd

**ABN**

15 145 040 857

**Quarter ended ("current quarter")**

30 June 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (.12..months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,024	3,753
1.2 Payments for		
(a) research and development	(371)	(1,108)
(b) product manufacturing and operating costs	(127)	(439)
(c) advertising and marketing	(179)	(628)
(d) leased assets	(3)	(18)
(e) staff costs	(651)	(2,666)
(f) administration and corporate costs	(494)	(1,874)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	22
1.5 Interest and other costs of finance paid	(6)	(27)
1.6 Income taxes paid		(4)
1.7 Government grants and tax incentives		272
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(804)</b>	<b>(2,717)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(28)	(54)
(b) businesses (see item 10)		
(c) investments		



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.12..months) \$A'000
	(d) intellectual property	(108)	(482)
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(136)</b>	<b>(536)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		4,500
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		(324)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	(1)	(4)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(1)</b>	<b>4,172</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,513	1,687
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(804)	(2,717)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(136)	(536)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	4,172

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.12..months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(31)	(65)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>2,541</b>	<b>2,541</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,184	3,195
5.2	Call deposits	393	404
5.3	Bank overdrafts	(36)	(86)
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,541</b>	<b>3,513</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

96

Includes directors' fees, salaries and superannuation.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	320	(86)
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

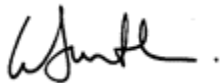
Variable interest rate overdraft facility with Westpac secured with a term deposit.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(391)
9.2 Product manufacturing and operating costs	(142)
9.3 Advertising and marketing	(123)
9.4 Leased assets	
9.5 Staff costs	(718)
9.6 Administration and corporate costs	(405)
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>(1,779)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



26/07/2018

Sign here: .....  
(Company secretary)

Date: .....

Print name: Graeme Smith

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.