

31<sup>st</sup> October 2018

## Restatement of Contracted Annualised Recurring Revenue (CARR) Results

As Vault has transitioned to a SaaS business some processes and systems have been lagging. As a result, the calculation of Contracted Annualised Recurring Revenue (CARR) has been incorrectly calculated.

The company acknowledges the significance of this error given CARR is a key metric in determining the company's performance and valuation. The mis-statement was detected as the measurement function was being transferred to the finance team in preparation for implementation of Zuora, the leading SaaS billing and forecasting application which is being implemented now and will be fully in use for Q2 FY19 reporting. The mis-statement was a result of a combination of errors including customer churn not being recognised and the complexity of three different billing entities.

The following table shows the most recent results relating to CARR – both reported and restated in Table 1.

<b>Date</b>	<b>Reported CARR</b>	<b>Restated CARR</b>
30 September 2018	\$3.72m	\$3.72m
30 June 2018	\$4.05m	\$3.31m
30 June 2017	\$2.30m	\$2.30m

**Table 1.** Reported and Restated CARR






## Definition of CARR

For reference, the company definition of CARR is:

**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.

## Actions

The company is committed to a number of specific actions to ensure the ongoing accuracy of CARR reporting including:

-  Implementation of Zuora (the leading SaaS billing and forecasting application).
-  Detailed financial process and accountability review.
-  An external audit of all externally reported financial information for Q2 FY19 onwards.

The company remains well positioned financially to accelerate the growth and development of the business. This is evidenced by the 10% growth in CARR and cash receipts in the recent period advised in the current 4C filing.

Ends.

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### 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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