

31<sup>st</sup> October 2018

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

### Vault Delivers Consecutive Record Cash Quarter

Vault Intelligence Limited (**ASX:VLT**) (**Vault** or **the Company**), a leading SaaS business delivering solutions in the Risk and Safety Technology sector is pleased to provide its quarterly report for the first quarter of the 2018 - 2019 financial year (FY19).

#### September Quarter Highlights

-  **Record level Cash Receipts for Quarter**  
Total cash receipts from customers reached \$1.12m, an increase of 10% on the previous record quarter and an increase of 14% on the same quarter last financial year.
-  **Strong Contracted Annualised Recurring Revenue (CARR) for Vault Enterprise Product Line (V3)** New CARR for quarter totaled \$402k which was derived solely from Vault Enterprise (V3) sales.
-  **Successful Capital Raise - \$5m AUD**  
The company completed an oversubscribed and successful Capital Raise during the Quarter of \$5m AUD less expenses.
-  **Successful rollout and Promotion of Solo Product Line Internationally**  
Vault Solo (Solo) has been effectively rolled out and in collaboration with Samsung has been showcased to customers throughout South East Asia, Australia and New Zealand.
-  **Solo Sales Pipeline Increasing Exponentially**  
Solo is now being trialled with sales expected in the upcoming quarter from a significant sales pipeline



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



### **Latest Solo Website launched to Generate Global Digital Sales**

Vault has launched a new promotional landing site dedicated to Solo within the existing Vault website. The new site has been deployed to promote the capabilities of the product line and deliver global sales directly.

## **Vault Update**

**Cash Receipts.** Last Quarter saw the business break through the \$1m barrier of cash received from customers for the first time and this has been backed up with an increase of 10% with \$1.12m in cash receipts for the quarter. Cash receipts have been primarily delivered from sales of V3 which is a good endorsement for the new look product. V3 is gaining strong momentum and is expected to deliver increasing revenue over the following quarters.

**Contracted ARR.** CARR for the Quarter was strong with \$402k of new CARR from the sale of V3. This is a good result and will be further strengthened in the upcoming quarter with CARR being generated from Vault Solo sales. Total CARR now sits at \$3.72m.

**Vault Solo.** In conjunction with Samsung's new Galaxy wearable range Vault Solo was successfully launched in the first week of October. Two customer systems have already been implemented and more than 30 customer trials are underway across Asia, Australia and New Zealand. Interest in the product is strong with a number of proposals presented to new and existing customers.

Vault Solo has been showcased internationally in major events , including:

- At the Singapore GovWare Government Technology Conference, in conjunction with Samsung and ACA Pacific Ltd
- Samsung Innovation Showcase events in Malaysia and Thailand
- Samsung's Transport and Logistics Conference in Australia
- Large Telecommunication Industry conference in Australia
- In Wellington, New Zealand for the Government Showcase hosted by Samsung in conjunction with Spark and Vodafone
- At nine Spark (NZ Telco) Regional Roadshow events

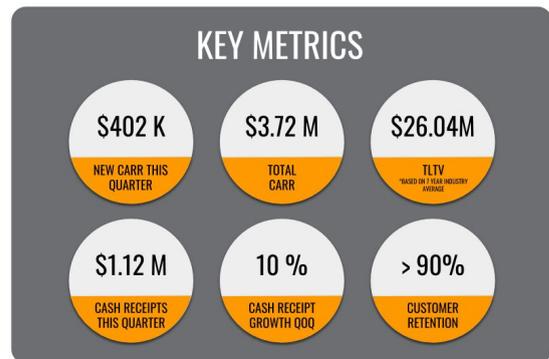
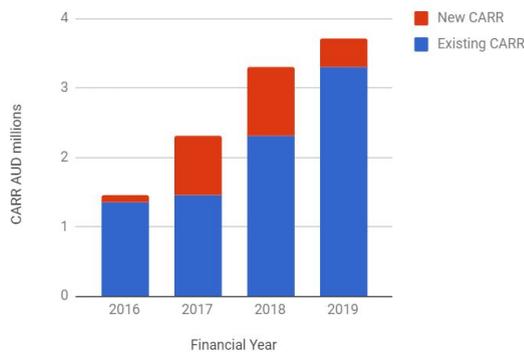
Solo went on sale commercially on Oct 4 which quickly saw customers signing on for trials in Singapore, Malaysia, Australia and New Zealand. With trial periods lasting a minimum of four weeks, contracts are expected to be signed from November on.

The successful trial and deployment of Vault Solo across the current client base and potential new large customers is expected to accelerate in FY19 and provide continued strong growth in CARR.

**Product Development - People & Talent.** Vault has started a recruitment campaign to bolster its product development capabilities to support acceleration of Vault Solo and its Enterprise, Mobile and Data Insights product development. This includes a recently recruited UX/UI Design leader who joins us from ANZ Bank and has global experience, having worked in the UK, Brazil and Australia.

**Localised China Product Range.** Vault has invested significantly over the past 6 months to finalise the localisation of its Vault Enterprise (SafetyPal) and Vault Check (CheckPal) product suite for the China market. The products, SafetyPal and CheckPal, are being prepared for demonstration and sale commencing in the upcoming second quarter with a number of high profile customers preparing to trial the products.

### Vault Performance Metrics



#### CARR at completion of Q1 FY 19

### Strategy and Focus

Vault has proven through its growth in the Australasian market that it has a competitive solution. It has also proven through the development of Solo that it has capability to develop and bring to market world leading solutions in the broader safety market.

While the company continues to make good progress in building capability and transitioning to a SaaS business, with input from a renewed Board and the recent \$5m capital raise, the company is accelerating this work.

Key Focus areas for the upcoming quarters are as follows:

- Drive CARR growth through continued sales penetration and focus across Australasia
- Convert existing opportunities in the China and SEA markets
- Scale sales penetration through major partners, distributors and telecommunication networks

- Successfully grow and expand the Vault Solo Business line globally
- Drive and enhance quality, performance and capability of Vault products
- Increase market awareness of Vault branding and products



## Corporate Financial Notes

The company conducted a successful Capital Raise (CR) in September with Bell Potter Securities acting as the Lead Manager for the CR. The CR of \$5m AUD before expenses was strongly supported and was oversubscribed. Institutional investors comprised the majority of the placement and this is a very positive endorsement commitment to the company and positions the shareholder register solidly for the future. Funds raised from the share placement will be used to accelerate the growth of the Vault range of products and enhance the sales, customer success and account management components of the business.

The Company ended the quarter with AUD equivalent funds of \$5.66m in cash and receivables and in early October received Tranche 2 of the CR which saw the company receive a further \$867k.

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 cash receipts and strong CARR. The Company continued to spend on new product development and sales. The loss for the reporting period totalled \$985k of which \$705k was attributable to operational costs and the remainder in product investment. Predominantly, this has come from an increase in R&D and salary costs, which was expected due to the growth of the development team and outsourcing requirements. Vault is committed to driving sales with V3, Vault Solo and delivery of sales from the China market with China Vault 3 (CV3).

Of note is that the Research and Development (R&D) expenditure by the business will be offset by the Australian Government R&D tax offset refund of 43.5%, 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 is well positioned financially to accelerate the growth and development of the business.

Ends.

For more information:

Investor Relations

Evy Litopoulos

+61 419 773 505

[evy@vaultintel.com](mailto:evy@vaultintel.com)

### 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 September 2018

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(.3..months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | 1,124                              | 1,124  |
| 1.2 Payments for  |                                    |  |
| (a) research and development                              | (23)                               | (23)   |
| (b) product manufacturing and operating costs             | (95)                               | (95)   |
| (c) advertising and marketing                             | (168)                              | (168)  |
| (d) leased assets   | (17)                               | (17)   |
| (e) staff costs   | (1,028)                            | (1,028)  |
| (f) administration and corporate costs                    | (500)                              | (500)  |
| 1.3 Dividends received (see note 3)                       |                                    |  |
| 1.4 Interest received                                     | 11                                 | 11   |
| 1.5 Interest and other costs of finance paid              | (8)                                | (8)  |
| 1.6 Income taxes paid                                     | (2)                                | (2)  |
| 1.7 Government grants and tax incentives                  |                                    |  |
| 1.8 Other (provide details if material)                   |                                    |  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(706)</b>                       | <b>(706)</b>                                     |
| <b>2. Cash flows from investing activities</b>            |                                    |  |
| 2.1 Payments to acquire:                                  |                                    |  |
| (a) property, plant and equipment                         | (14)                               | (14)   |
| (b) businesses (see item 10)                              |                                    |  |
| (c) investments   |                                    |  |

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(.3..months)<br>\$A'000 |
|---|----------------------------|---|
| (d) intellectual property                                 | (307)                      | (307)                                   |
| (e) other non-current assets                              | (14)                       | (14)                                    |
| 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)                   |                            |   |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>(335)</b>               | <b>(335)</b>                            |

|   |              |              |
|---|--------------|--------------|
| <b>3. Cash flows from financing activities</b>                                  |              |              |
| 3.1 Proceeds from issues of shares  | 4,091        | 4,091        |
| 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 | (178)        | (178)        |
| 3.5 Proceeds from borrowings  |              |              |
| 3.6 Repayment of borrowings   |              |              |
| 3.7 Transaction costs related to loans and borrowings                           | (1)          | (1)          |
| 3.8 Dividends paid  |              |              |
| 3.9 Other (provide details if material)   |              |              |
| <b>3.10 Net cash from / (used in) financing activities</b>                      | <b>3,912</b> | <b>3,912</b> |

|   |       |       |
|---|-------|-------|
| <b>4. 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              | 2,541 | 2,541 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (706) | (706) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             | (335) | (335) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)            | 3,912 | 3,912 |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(.3..months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held  | (11)                               | (11)   |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of quarter</b> | <b>5,401</b>                       | <b>5,401</b>                                     |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 5,138                              | 2,184                               |
| 5.2        | Call deposits   | 394                                | 393                                 |
| 5.3        | Bank overdrafts   | (131)                              | (36)                                |
| 5.4        | Other (provide details)   |                                    |                                     |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>5,401</b>                       | <b>2,541</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**

165

Nil

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**

Nil

Nil

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| 8.1 Loan facilities  | 321   | (131)  |
| 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. |   |  |

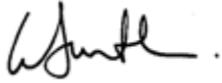
Variable interest rate overdraft facility with Westpac secured with a term deposit.

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Research and development                       | (8)            |
| 9.2 Product manufacturing and operating costs      | (259)          |
| 9.3 Advertising and marketing                      | (304)          |
| 9.4 Leased assets                                  | (17)           |
| 9.5 Staff costs                                    | (1,172)        |
| 9.6 Administration and corporate costs             | (305)          |
| 9.7 Other (provide details if material)            |                |
| <b>9.8 Total estimated cash outflows</b>           | <b>(2,065)</b> |

| <b>10. Acquisitions and disposals of<br/>business entities<br/>(items 2.1(b) and 2.2(b) above)</b> | <b>Acquisitions</b> | <b>Disposals</b> |
|--|---------------------|------------------|
| 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.



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

Date: .....31 October 2018.....

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.