

31st January 2019

Vault Intelligence Limited December Quarterly Report and Appendix 4C

Vault recognised as Global Leader for Integrated Safety Wearable Technology and Delivers first >\$0.5M CARR Growth in a 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 second quarter of the 2018 - 2019 financial year (FY19).

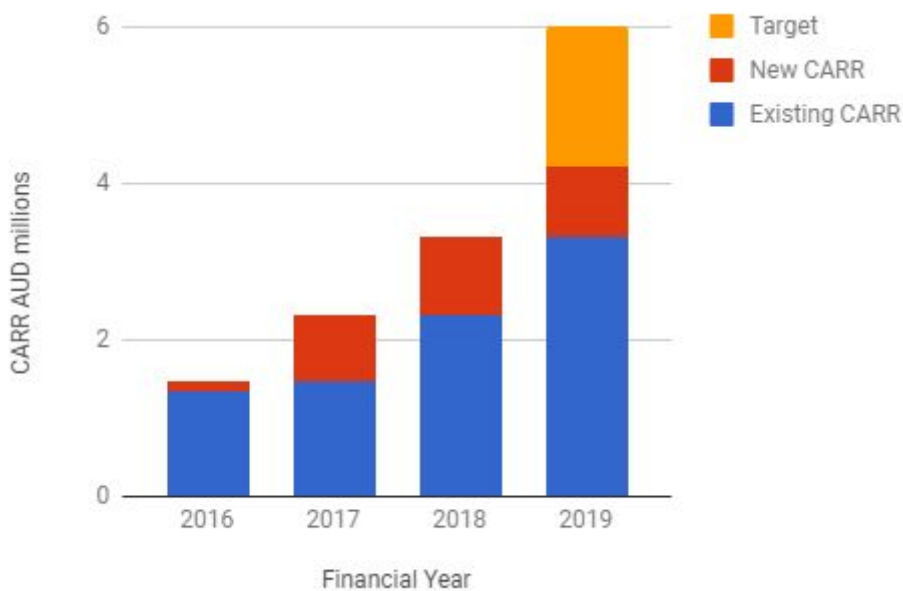
December Quarter Highlights

- ✔ Vault delivers strong Contracted Annualised Recurring Revenue (CARR) growth with an increase of **\$511k in Q2**, resulting in a total **CARR of \$4.23M**
- ✔ Vault breaks into **top 20 EHS companies globally** being formally recognised in the Verdantix Quadrant for the first time
- ✔ Vault Enterprise Platform Version 3 (V3) continues momentum with increased sales and maintains excellent **retention rate of >99.5%** for the quarter
- ✔ Vault recognised as the **Global Leader** for the most advanced **wearable integration** in the Safety Technology Vertical with Vault Solo
- ✔ Vault **Solo** significant pipeline delivers **first contracted customers and revenue**
- ✔ **Business strengthened**, resourced and targeting strong revenue in upcoming quarters

CARR Growth

Increased CARR for the Quarter was **nett \$511k**, comprising:

- \$455k of new CARR generated for the Quarter
- \$81k of increased CARR due to Foreign Exchange rate adjustment
- \$25k (<0.5% by revenue) decreased CARR due to changes in some smaller customers
- Total CARR now stands at **\$4.23M**
- Target remains \$6M CARR for FY19. It is noted that this is contingent on winning 2-3 enterprise deals.
- Audit of CARR is now scheduled for end of FY to coincide with full year accounts audit



CARR at Completion of Q2 FY 19

International Recognition

Vault Intelligence has recently achieved **recognition in the Verdantix Green Quadrant** for Operational Risk Management (ORM) Software 2019, **a first for Vault**. Verdantix is globally recognised as the leading independent authority in the safety technology vertical. Since 2008, more than 40% of the Fortune 500 have used Verdantix research content to inform their decisions.

For the Verdantix 2019 Green Quadrant for ORM Software, 17 software providers from three countries were evaluated on 158 functionality/feature metrics using a 211-point questionnaire, a two-hour live product demonstration, and interviews with vendor executives.

In the recently released report Verdantix states that Vault Intelligence offers a strong lone worker capability through wearable integration with Samsung, a global consumer electronics

provider, to offer their **Vault Solo** safety software on Samsung Galaxy Smartwatches. **Vault earned the highest score for integrations with wearables.**



Vault also scored very highly in safety and audit management, user experience, customer analytics and insights.

This recognition **reinforces Vault's strategy and focus** around analytics, integrations, wearables, user experience and customer success.

Business Focus, Structure and Resources

Vault Board and Executive has renewed focus on key growth metrics and implemented structural changes to achieve this.

David Rose (Non-Executive Director) joins Vault as Chief Operating Officer (COO), remaining on the Board as an Executive Director. In his capacity as COO he is leading the strategic and structural changes to drive revenue growth (direct and via partners). His appointment allows David Moylan (CEO) to provide greater focus on increasing strategic engagements and capitalise on key global opportunities for the business.

The Group has also continued to invest in its Vault Enterprise and Solo products by expanding the development and testing team to drive product capability and quality. These two factors have increased the ability of the Sales Team to deliver on aggressive growth targets.

Corporate Financial Notes

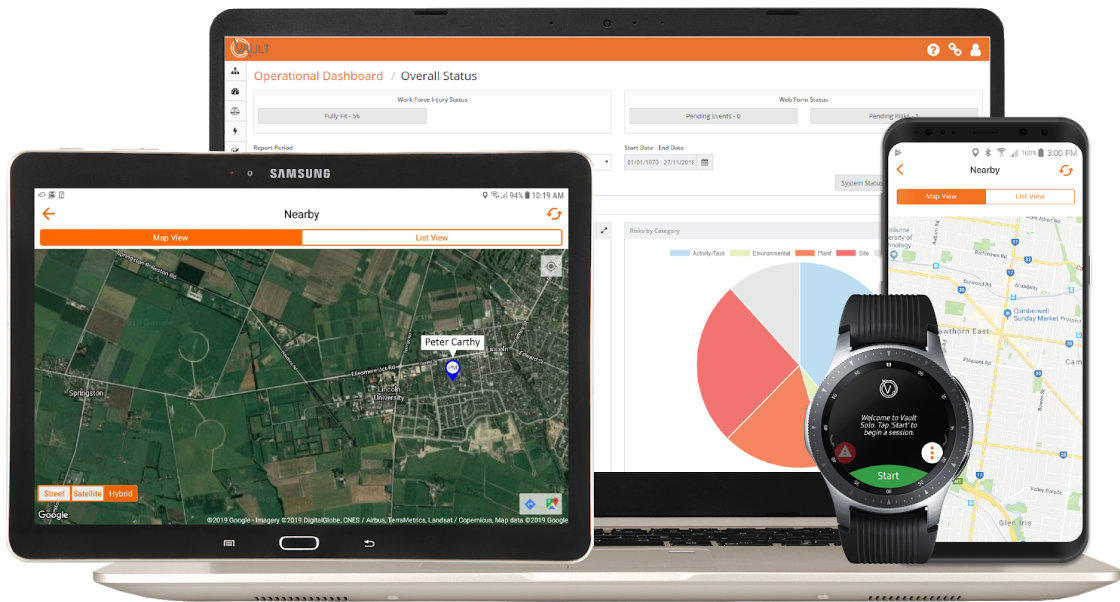
The Company ended the quarter with AUD equivalent funds of \$4.62M in cash and is well positioned financially to continue and accelerate the growth and development of the business.

Funds have been decisively used in key areas to accelerate the growth of the Vault range of products and enhance the sales, customer success and account management components of the business. This decision and use of funds has resulted in an increase in the normal rate of expenditure this quarter. This rate of expenditure was also increased by the company choosing to pay fees up front for critical software required such as Yellowfin and Zuora (~\$250k). In addition, approximately \$100k was spent on outsourcing to assist in product development however some of these functions will now be completed in-house.

Cash receipts for the quarter totalled \$881k. The December quarter is historically the weakest quarter for cash receipts due to the timing of annual payments from customers and reduced working days. Half year receipts totalled \$2.005M, up 11.45% on FY18 H1 (\$1.799M).

Advertising and marketing spend increased during the period as part of laying the foundation for the rollout of Vault Solo and investing in the infrastructure of the Group's digital sales and marketing capability.

Australian Government Research and Development (R&D) tax offset refund of approximately \$400k is anticipated in Q3.



Ends.

For more information:

Investor Relations

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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.

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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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.6..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	881	2,005
1.2 Payments for		
(a) research and development	(37)	(60)
(b) product manufacturing and operating costs	(315)	(410)
(c) advertising and marketing	(199)	(367)
(d) leased assets	(3)	(20)
(e) staff costs	(931)	(1,959)
(f) administration and corporate costs	(571)	(1,071)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	19
1.5 Interest and other costs of finance paid	(8)	(16)
1.6 Income taxes paid	-	(2)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,175)	(1,881)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(51)	(65)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.6..months) \$A'000
(d) intellectual property	(398)	(705)
(e) other non-current assets	-	(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)		
2.6 Net cash from / (used in) investing activities	(449)	(784)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	909	5,000
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	9	9
3.4 Transaction costs related to issues of shares, convertible notes or options	(68)	(246)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings	(1)	(2)
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	849	4,761

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,401	2,541
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,175)	(1,881)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(449)	(784)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	849	4,761

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.6..months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(11)	(22)
4.6	Cash and cash equivalents at end of quarter	4,615	4,615

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	4,405	5,138
5.2	Call deposits	409	394
5.3	Bank overdrafts	(199)	(131)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,615	5,401

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
161
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

8. Financing facilities available <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	333	(200)
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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(30)
9.2 Product manufacturing and operating costs	(75)
9.3 Advertising and marketing	(150)
9.4 Leased assets	(17)
9.5 Staff costs	(1,211)
9.6 Administration and corporate costs	(510)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(1,993)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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.

Sign here:  Date:31 January 2019.....
(Company secretary)

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.