

22 October 2019

Vault Intelligence Limited September Quarterly Report and Appendix 4C

Vault Delivers ~\$1M in New CARR - Up 116% On Same Quarter Last Year

Vault Intelligence Limited (ASX:VLT) (Vault or the Company) is pleased to provide its quarterly report.

Vault is an online/SaaS business specialising in the development of workforce performance technologies to deliver significant productivity benefits to organisations, whilst managing the risk, safety, security and protection of their workers

Highlights

- ✔ **New Contracted Annualised Recurring Revenue (CARR)** for the quarter of ~A\$1M representing an increase of 116% with Net New CARR of A\$0.9M¹
- ✔ **CARR** at 30 September 2019 was **\$6.9M²** representing an **86% increase** at the same time last year
- ✔ **Total customer cash receipts** for the quarter was **\$1.26M** representing a **13%** increase on the same period last year
- ✔ **Total net cash receipts Q2 FY20** is expected to continue to increase through **increased customer cash receipts** and receipt of **R&D grants**
- ✔ **Successful Capital Raise** undertaken on 25 September 2019 with **\$7.5M** (before costs) of capital raised. The placement included several new institutional investment groups
- ✔ **Customer Retention** remains at an **excellent level** being **in excess of 98%** for the quarter

¹ Net New Carr is measured inclusive of churn but before any impact on foreign currency gains or losses in Q1 FY20.

² CARR balance is expressed before foreign exchange gains or losses incurred in Q1 FY20.

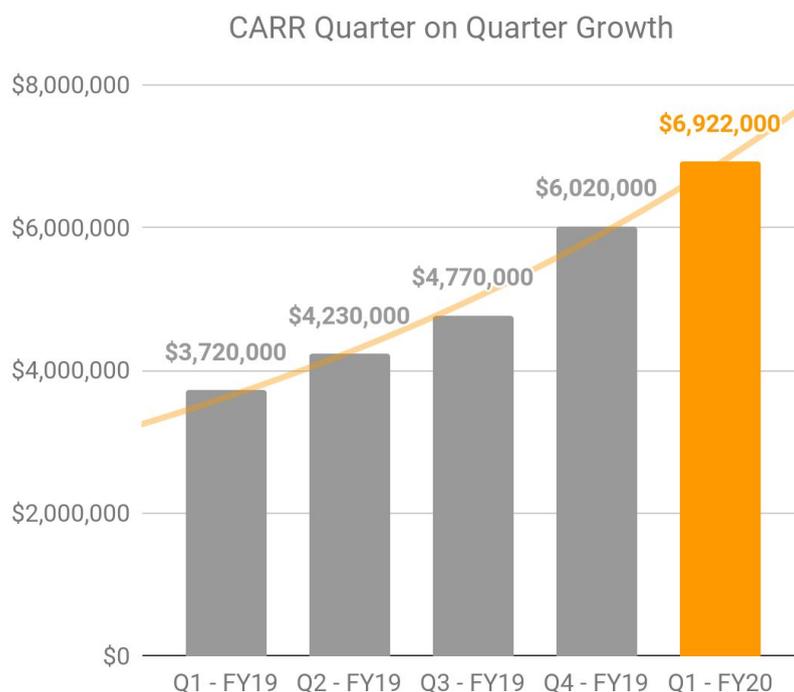
CARR Growth

Key points:

- **Net New CARR** for the quarter of **\$0.9m**, which represents a **\$0.5M increase** over the same quarter last year.

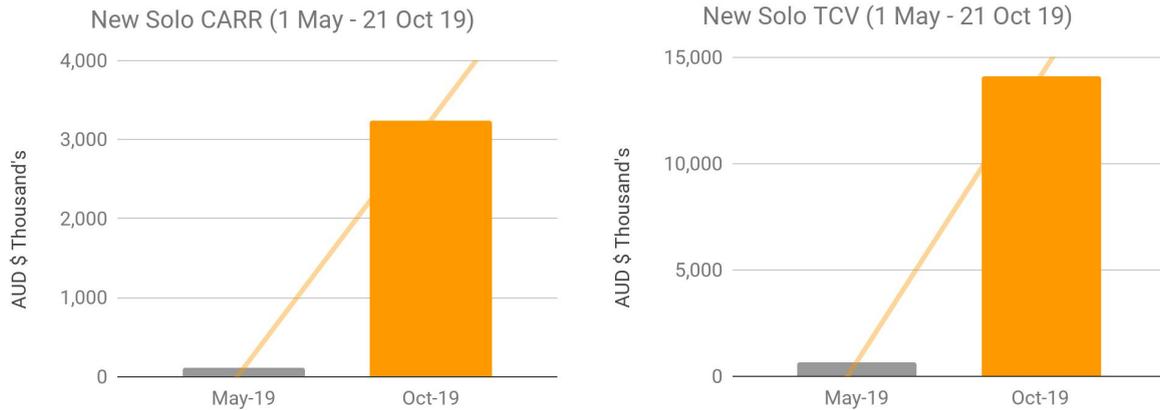


- This quarter's result added an **additional 15% to the Overall CARR** and is **86% higher** than the same quarter last year



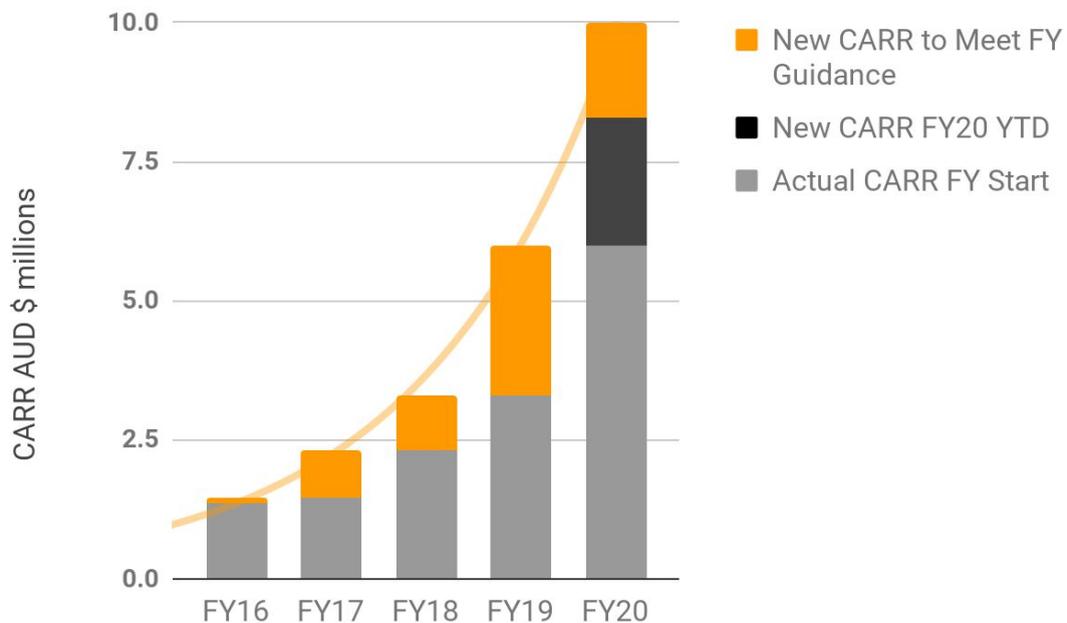
Vault Solo Sales Acceleration

Since May 2019 and particularly during Q1, and immediately following the close of Q1 in Q2, major contracts totalling **\$3.3M CARR** and **Total Contract Value (TCV) of \$14.1M** have been executed, demonstrating building momentum for Solo sales.



CARR Forecast FY20

By achieving target CARR growth in the first quarter of FY20, Vault is pleased to confirm its **guidance of a minimum \$10M CARR** to be delivered by **30 June 2020**, as announced with our previous Appendix 4C report. At the time of writing this report, total CARR has already progressed to **\$8.29M early in Q2**.

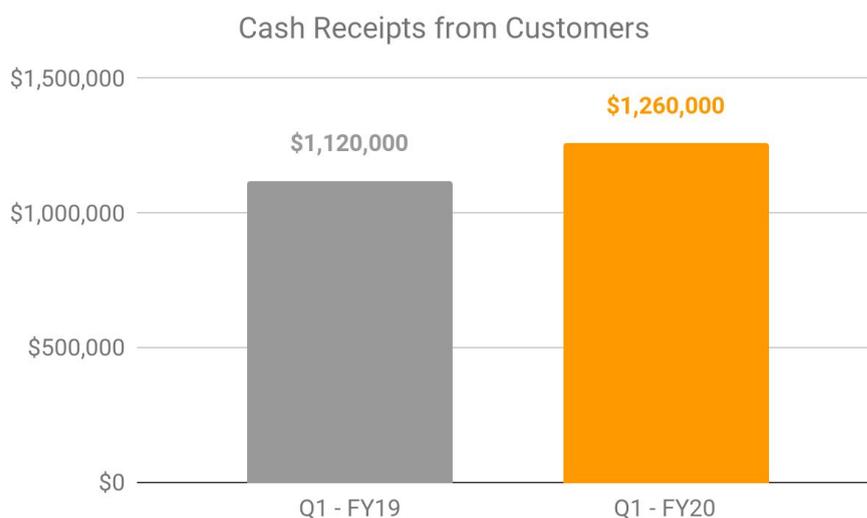


Cash Receipts

Vault continues to deliver strong cash growth with cash receipts 13% greater than the same quarter last year. Cash receipts are expected to increase strongly on the back of significant new client contracts set to go live and expand over the next two years.

Key results on performance for cash receipts are as follows:

- **Customer Cash receipts** for Q1 of FY20 totaled **\$1.26M**, representing a **growth rate of 13%** on the same quarter last year



Corporate Financial Notes

The company is **well positioned financially, with over \$8M in funds** to execute the growth strategy which is showing strong results and rapid acceleration. Vault ended the quarter with AUD equivalent funds of ~\$0.8M in cash. This balance excludes a successful \$7.5m equity raise (\$7.16m net of costs) that settled on 3 October 2019 plus the receipt of \$533k R&D funds for Australian operations on 15 October 2019. Further R&D funds are expected for NZ operations.

Q1 has historically been the highest quarter in terms of expenditure with annual subscriptions and staff related costs and has seen the cash burn for the quarter at \$2.04m. The higher cash burn is also attributable to Vault's strategy to invest in accelerating CARR and revenue growth and invest in product development particularly for the Vault Solo product. In comparison to the same quarter last year Vault invested an additional \$175k in growth activities and an additional \$460k on product development (additional spend was predominantly on the Vault Solo product). The cash burn is expected to reduce materially in Q2 FY20 via the receipt of R&D funds and increased customer receipts.

The qualified and well progressed **sales pipeline** generated for both the Vault Enterprise and Solo Product lines are **at record levels**. Significant opportunities have been progressed to the stage where new **material sized deals** for both the **Vault Enterprise** and **Solo Platforms** are expected to be converted throughout the upcoming and future quarters.

Ends.

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About Vault Intelligence Limited

Vault Intelligence Limited (ASX: VLT) is an online/SaaS business specialising in the development of workforce performance technologies to deliver significant productivity benefits to organisations, whilst managing the risk, safety, security and protection of their workers.

Vault Technology empowers modern businesses with two enterprise leading platforms (Vault Enterprise and Vault Solo), which are enhanced through mobility and IoT wearables to deliver tangible benefits in workforce performance and protection.

Vault delivers its enterprise-level software, mobility and wearable solutions to 1,000,000+ people across 30 industries and various parts of the world.

Further information on how Vault technology can assist in managing, protecting and improving the efficiency of your workforce can be found at 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 may be 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 a 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 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,259	1,259
1.2 Payments for		
(a) research and development	(22)	(22)
(b) product manufacturing and operating costs	(110)	(110)
(c) advertising and marketing	(173)	(173)
(d) leased assets	(3)	(3)
(e) staff costs	(1,344)	(1,344)
(f) administration and corporate costs	(871)	(871)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid	2	2
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,266)	(1,266)

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

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Quarterly report for entities subject to Listing Rule 4.7B

	(d) intellectual property	(741)	(741)
	(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	Net cash from / (used in) investing activities	(751)	(751)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	30	30
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(3)	(3)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	27	27

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	2,781	2,781
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,266)	(1,266)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(751)	(751)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	27	27
4.5	Effect of movement in exchange rates on cash held	(27)	(27)
4.6	Cash and cash equivalents at end of quarter	764	764

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

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	676	2,442
5.2 Call deposits	88	411
5.3 Bank overdrafts	-	(72)
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	764	2,781

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**

257

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

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Quarterly report for entities subject to Listing Rule 4.7B

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	0	0
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	(24)
9.2 Product manufacturing and operating costs	(119)
9.3 Advertising and marketing	(186)
9.4 Leased assets	(3)
9.5 Staff costs	(1,565)
9.6 Administration and corporate costs	(936)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(2,833)

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:


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Company secretary

Date: 22 October 2019
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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.