

28 April 2017

Annualised recurring revenue growth, New major customers, and Milestones in key Users

Highlights:

- **Annualised Recurring Revenue breaks through A\$2m barrier**
- **Significant new major customer signings confirmed**
- **Cash revenue for the quarter of A\$724,000**
- **Recent major customer signings put Vault firmly on track to deliver strong revenue growth during Q4 FY17 and well into the new financial year**
- **Vault passes the one million mark for users globally**
- **Big quarter for technical development**

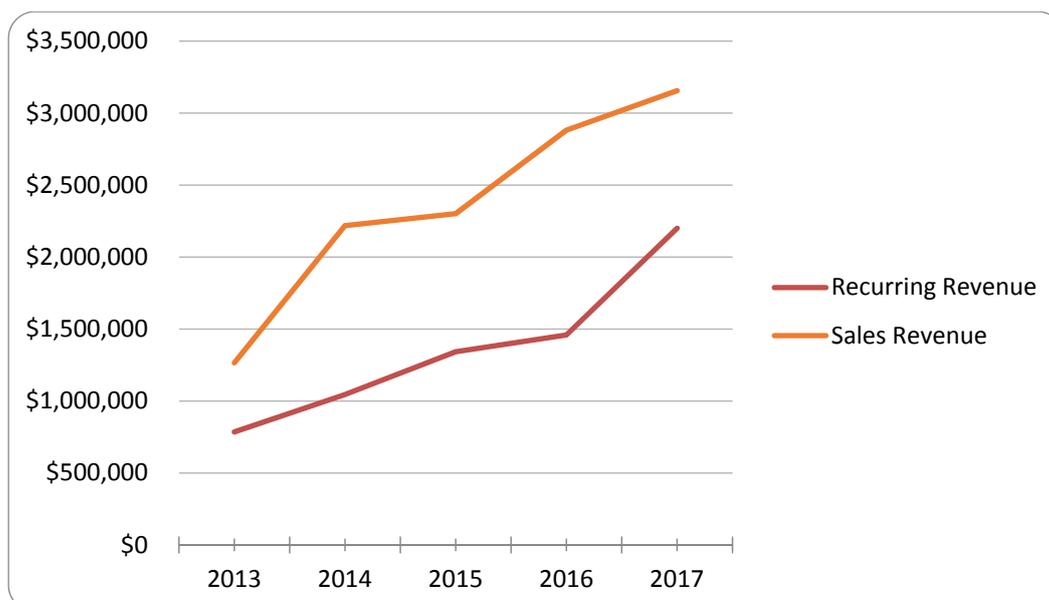
Business development strategy gaining momentum

Vault Intelligence Limited (Vault, the Company, ASX:VLT) is enjoying major successes particularly over recent periods with its sales strategy and the newly built Australian based enterprise sales team. The Company has seen a very solid Q3 with the revenue for the period increasing for a third period in succession with cash receipts of A\$724,000.

The Company is pleased to announce that it has broken through the \$2m AUD barrier in terms of its Annualised Recurring Revenue (ARR) with the ARR now sitting at \$2.25m AUD as at 1 April 2017. This is a significant achievement and with the recent wins in major sales for the upcoming quarter this figure will continue to rapidly grow. The central focus of the business is to continue the growth of the ARR to the point where it approaches or exceeds a cash neutral position for each quarter. This will place the business in a cash positive position from additional revenue gained from new sales and upselling to existing customers. Strengthening the ARR for the business will ensure long term growth and sustainability during times of expansion.

The following chart clearly illustrates the shift in 2016 for the business from a Capex model to a SaaS subscription model. This change supports the business in its medium to long term strategy and aligns the business for significant growth in the capital value. The direct effect in terms of revenue are also depicted in the chart with the sharp rise in ARR which is very positive.

Sales Revenue versus Annualised Recurring Sales Revenue



During Q3, new corporate customer, Restaurant Brands advised that Vault is their nominated tender provider, the contract close will fall into Q4. Vault expects to provide its full range of Apps as well as the Vault Enterprise platform into Restaurant Brands sites across Australia and New Zealand.

Vault is pleased to announce a large New Zealand government organisation has advised Vault is its nominated tender provider and the Company will be providing the Vault Enterprise platform and Apps across this organisations numerous sites. Vault expects to close this contract in the coming weeks.

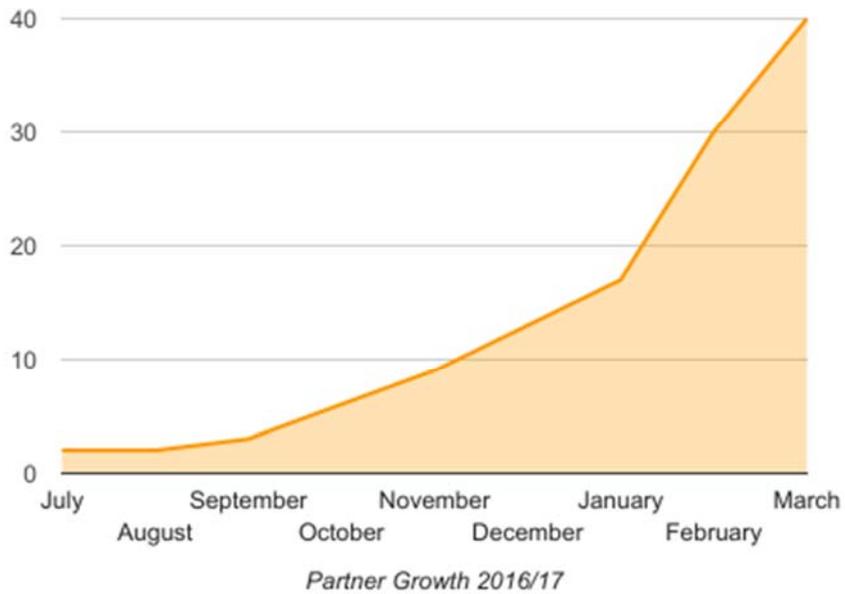
The Managing Director of Vault, Mr David Moylan commented “The new customer signings are significant for the company. We announced in February that we were engaged in a number of major tender bids across Australia and New Zealand. To date we have successfully won two from two with the other major opportunities in the final decision making stage. We are also seeing major interest in our existing and yet to be released Apps which augers well for future sales.”

Asia development

During the quarter the Company worked on the language conversion of Apps for the Chinese market including the latest in UI/UX (user interface/user experience) advancements to ensure a quality experience and rollout for Chinese based users. The conversion is now complete and is being subjected to beta testing with a view to launch in China with POC trials in May-June. Interest from Chinese organisations and SOEs to view and test the product suite has been substantial and a strong uptake is expected in what is a fresh market with little competition. The Vault Apps have also been built to operate independently of the main enterprise platform and in doing so has created a distinct and unique offering. This offering maximises the opportunity uptake as customers can experience the capability of the Apps and then migrate seamlessly to the Vault enterprise platform as they progress or simply use the Apps to enhance their existing systems.

The Company is also progressing partnership opportunities in other parts of South East Asia and in particular Singapore, Malaysia and Vietnam. Partners are building significant sales pipelines and have commenced conversion of the pipeline opportunities.

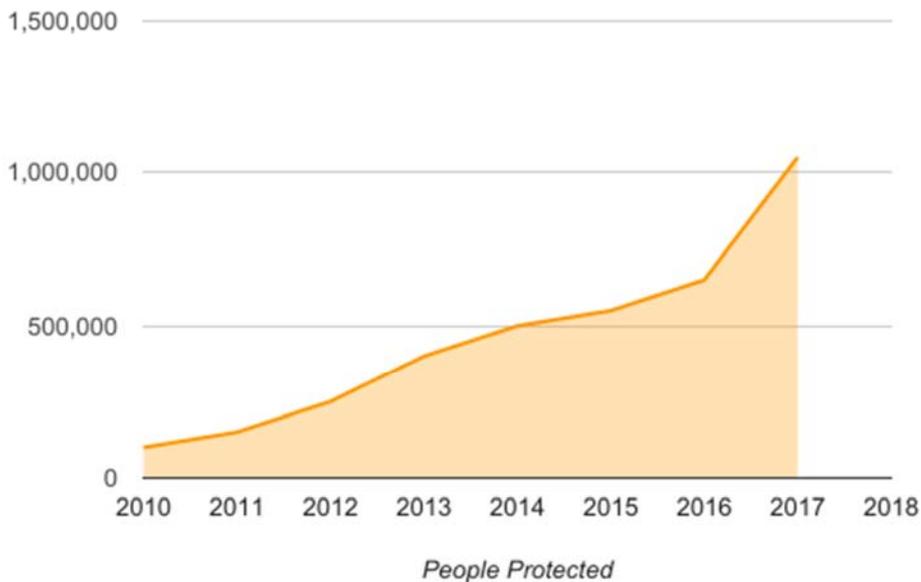
Vault Partner Growth



Vault breaks the one million user mark

Vault is proud to announce that it has successfully passed through the one million barrier in terms of its customers' employees and contractors being managed and protected by Vault software. This is a key milestone for Vault to achieve in the early part of 2017 and is a positive step towards the company's goal to achieve five million employees and contractors being managed and protected by Vault by 2020.

People protected on Vault



Technical development

Vault has worked on improving UI/UX on its existing Apps and is focused on delivery of two new apps in Q4. Response to the upgrade of existing Apps and the new Apps from existing customers has been particularly encouraging.

The Enterprise platform has been the subject of a “fresh package” with respect to UI/UX and will be complete by end of Q4 and ready for launch thereafter. The Company is looking forward to introducing the new look Enterprise platform to new and existing customers. The refresh will significantly enhance the opportunities and conversions of new sales over coming months. Work has also been undertaken on API functionality around the Enterprise platform and is seeking to add further depth to the already deep risk/EHS platform by enabling easier plug in access to the system.

Vault is assessing an opportunity for its Apps to be utilised on wearable Internet of Things (IoT). The potential opportunity for the Company to enter the expanding world of IoT is an exciting step and one which will be aggressively pursued.

Corporate matters

After quarter close the Company placed fifty million shares (50,000,000) at three cents (\$0.03) each to institutional and sophisticated investors to raise A\$1.5m before costs. In conjunction with this issue the Company has prepared a Share Purchase Plan to raise up A\$1.2m with the shares to be issued at the same price, \$0.03, as the placement.

At quarter end the Company had net cash and receivables of A\$978,000.

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 more than 2,000 business sites, encompassing 1,000,000+ users.

To find out more about how Vault solutions can help to minimise risk and boost effectiveness in your workplace, visit www.vaultintel.com.

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 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	724	2,043
1.2 Payments for		
(a) research and development	(268)	(447)
(b) product manufacturing and operating costs	(3)	(49)
(c) advertising and marketing	(219)	(498)
(d) leased assets	(3)	(49)
(e) staff costs	(586)	(1,554)
(f) administration and corporate costs	(352)	(1,744)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	17
1.5 Interest and other costs of finance paid	(10)	(35)
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	(714)	(2,318)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(16)	(103)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets	(11)	(11)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		

Quarterly report for entities subject to Listing Rule 4.7B

	(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	(27)	(114)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
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		(179)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		(549)
3.7	Transaction costs related to loans and borrowings	(2)	(13)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(2)	(741)

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	1,524	3,884
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(714)	(2,318)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(27)	(114)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(741)
4.5	Effect of movement in exchange rates on cash held	5	75
4.6	Cash and cash equivalents at end of quarter	786	786

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	635	1,349
5.2	Call deposits	393	402

Quarterly report for entities subject to Listing Rule 4.7B

5.3	Bank overdrafts	(242)	(227)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	786	1,524

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	125
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	

Includes directors fees, salaries and superannuation.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	320	(225)
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	270
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	200
9.4	Leased assets	4
9.5	Staff costs	600

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

9.6	Administration and corporate costs	350
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	1,424

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

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

Sign here:
(Director/Company secretary)

Date:28/4/2017.....

Print name: Lloyd Flint.....

Notes

- 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.
- 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.
- 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.