



(ASX: VLT)

28 October 2016

Vault Intelligence quarterly business update and Appendix 4C

Highlights

- **Vault Intelligence executes successful launch of audit and checklist compliance app suite, with more than 1,500 users onboarded since July 2016 adding to the already 3,500 plus users of the incident and risk notification app**
- **Vault delivers 22% annual growth in recurring revenue in September quarter, significantly exceeding internal targets, while strengthening its corporate client base across Australia and New Zealand and winning new business in Asia**
- **Sales team build out in Australia has commenced with appointment of three experienced Business Development Executives, two of whom are well experienced in the risk/safety sector and the other highly networked**
- **Sales pipeline growth at record levels in Australia, New Zealand and Asia**
- **Corporate activity in the risk/safety sector heats up**
- **Vault continues to build a globally scalable SaaS business as a trusted partner in risk management to blue-chip international clients**

Risk, compliance and safety software provider Vault Intelligence Limited (ASX: VLT), “the Company”) is pleased to present its September 2016 quarterly report on business progress.

Mobile-led sales growth accelerates

The Company continues to make encouraging strides in rolling out its Vault Business suite of standalone mobile environmental health and safety (EHS) apps.

Having commenced sales in July of the Vault Business suite of apps (available for [Android](#), [Windows Phone](#) and [iOS](#)), the Company is pleased to confirm that it has cross-sold more than 10% of its existing customer base to become new Vault mobile users.

The Vault Alert, Audit and Inspect app user base has quickly grown beyond 5,000 users, far exceeding the Company’s expectations. The Company is receiving extremely positive feedback on the apps usefulness from our flagship customers.

Vault Intelligence Founder and Managing Director, David Moylan, said:

“Our apps empower businesses to proactively detect and prevent serious risk events with an all-in-one platform that encourages best practice. As more companies take up our scalable,

user-friendly mobile solutions, we look forward to helping our clients maximise productivity while exceeding their safety and compliance goals.”

Vault is continuing to add to its mobile suite and is teaming up with some of its major customers to develop unique business productivity apps. Empowering Vault customers with mobility is essential to customers gaining the most from their products and this has led to the Vault Enterprise solution now being fully mobile and is a distinct point of difference over competitors.

Recurring revenue continuing to grow beyond budget

More broadly across the business, Vault has strengthened its position in existing markets while monetising its reach into new geographies.

Vault's ongoing transition from an opex-led business to a software-as-a-service (SaaS) model continued to proceed fruitfully in the September quarter.

The Company is pleased to confirm that the recurring component of its September quarterly cash receipts grew by 22% on an annual basis, to more than \$475,000. This significantly exceeded the Company's internal targets for recurring revenue growth, with overall cash receipts of \$634,000 recognised during the September quarter. Late closing of several new customers in early October moderately affected the headline cash result and on an accrual basis the Company has met its internal budget target.

New contracts won subsequent to the end of September indicate healthy continued new sales activity in the face of what has historically proven to be the year's slowest season across the risk software market.

Expansion of Australian sales team underway

It has been highlighted previously that the Company has had no fixed sales presence in Australia but has won numerous key major contracts with its risk/safety systems in spite of this.

In September the Company appointed three new professional Business Development Executives to the Australian team. Two are Sydney based and one is Perth based. The appointees have deep risk/safety experience having worked for companies like Enablon, Cintillate (SAI Global), Unite Safety and Cura Software. The Company is excited to have these professionals on board who have had an immediate impact on the development of existing leads and contacts and the sales pipeline in general has now swelled to record levels and continues to accelerate.

Corporate activity in the Risk/EHS sector gets busy

During the quarter, ASX listed SAI Global (ASX:SAI) was bid for by a Singaporean based fund for ~A1Bn. SAI provides numerous services within the Risk and corporate governance sector and also owns and operates the Cintillate system in the EHS sector.

This follows the May 2016 ~USD278m purchase of Enablon by Wolters Kluwer to bolster its presence directly in the EHS sector.

A number of other transactions have occurred in the current year. These have all been private companies which doesn't allow transparent clarity on pricing however, there have been at least three reported transactions to date.

The Company believes the Risk/EHS sector is still in its early development and Vault is well positioned with its market leading Enterprise system and fast growing suite of mobile app solutions to be a part of this major growth sector.

Asian market

In August, the Company finalised a reseller agreement covering the Asian region with a party based in Kuala Lumpur. This relationship has immediately delivered its first client in September and has helped to further bolster an already attractive pipeline of potential new customers. This is an emerging market for Vault and the Company and is building a structure to capture this potential.

Corporate information

The Company's cash balance on 30 September 2016 was \$2.096 million. As outlined in the Company's prospectus, debt amounting to \$549,000 has been paid down.

Vault was nominated by KPMG for the recently held New Zealand Innovation awards and is pleased to report that it was selected as a finalist in the highly sought after area of professional services. Although unsuccessful in winning the award it was a huge accolade for the business and adds to its recent Top 10 finish in the Westpac Business excellence awards in which 460 companies across New Zealand had competed. Apart from the prestige of being finalists in these awards, the Company will use the opportunity to create and drive more business leads within the NZ sector.

Vault has established solid foundations to drive highly scalable growth and has had an excellent quarter of firming up its strategy and direction and this is reflected in the opportunities and high growth sales pipeline. The Company looks forward to keeping investors updated as it develops new products and pursues global expansion.

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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 and 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 to more than 2,000 business sites, helping keep more than 600,000 people safe.

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 LIMITED

ABN

15 145 040 857

Quarter ended ("current quarter")

30 September 2016

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	634	634
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(46)	(46)
	(c) advertising and marketing	(89)	(89)
	(d) leased assets	(43)	(43)
	(e) staff costs	(534)	(534)
	(f) administration and corporate costs	(1,004)	(1,004)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	8
1.5	Interest and other costs of finance paid	(17)	(17)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,091)	(1,091)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(38)	(38)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (...3....months) \$A'000
	(d) intellectual property	-	-
	(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	(38)	(38)

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	(177)	(177)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(549)	(549)
3.7	Transaction costs related to loans and borrowings	(9)	(9)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(735)	(735)

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	3,884	3,884
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,091)	(1,091)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(38)	(38)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(735)	(735)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (...3....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	76	76
4.6	Cash and cash equivalents at end of quarter	2,096	2,096

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	1,967	4,170
5.2	Call deposits	411	-
5.3	Bank overdrafts	(282)	(286)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,096	3,884

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**

156

-

Includes fees, salaries, superannuation and "completion" payments upon relisting

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**

-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
350	282
-	-
-	-

8.1 Loan facilities

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.

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9. Estimated cash outflows for next quarter

\$A'000

9.1	Research and development	151
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	78
9.4	Leased assets	5
9.5	Staff costs	736
9.6	Administration and corporate costs	221
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	1,191

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:
(Director/Company secretary)

Date:28 October 2016.....

Print name:Lloyd Flint.....

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.