

29 November 2019

Vault Investor Update

Vault Intelligence Limited (**ASX: VLT**) (**Vault** or the **Company**), a leading software provider in the workforce performance and protection industry, is pleased to provide the following update to investors following recent major contract wins



Question: With the recent announcements regarding ADT and SurePlan NZ, what is the construct of those reseller/partner contracts and what is the impact of ADT or SurePlan NZ not selling the expected volume of licenses?

Answer: Both ADT and SurePlan NZ contracts have committed minimum annual volumes under a 'take-or-pay' arrangement. Volume and payment commitments are at wholesale pricing rates and the minimum volumes are payable by ADT and SurePlan NZ, regardless of the number of licenses sold by the respective organisations. Initial indications are that both organisations expect to consume more than their minimum commitments. Both of those contracts have escalating volumes over the terms of the contract with substantial commitments in the first year.



Question: How has contracted annualised recurring revenue (**CARR**) been calculated for these new agreements?

Answer: CARR represents the total minimum contract value (TCV) divided by the term of the agreement in years. As advised in the announcement 'External Review Completed, \$6.02M CARR and Record Q4 Growth' dated 22 July 2019, PwC conducted a review of the Company's calculation of CARR for FY18/19. The Company has applied the same process and calculation method reviewed by PwC to all subsequent announcements that include information regarding CARR, whether within the Quarterly 4C announcements or as part of a material contract announcement (such as those made in respect to ADT and SurePlan NZ).



Question: Whilst CARR is being measured and advised to market, CARR does not reflect cash growth. So what other measures are applied?

Answer: Vault remains focused on growth but is also conscious of the requirement to generate cash from executed contracts to fund ongoing growth. Accordingly, Key Performance Indicators (KPIs) have been established for the executive team to deliver both CARR and annual recurring revenue (**ARR**) - which reflects cash growth. Vault is reviewing its reporting practices to seek to provide shareholders with more visibility over inherent cash growth within the business, over and above the financial information already provided through its periodic reporting requirements.



Question: It appears there are not many downloads of the Solo App from the respective app stores. Why is this?

Answer: Whilst individuals can download the app from the app stores, for large enterprise deployments, which we are currently focused on, the app is deployed using a mobile device management (MDM) solution for bulk deployment. These bulk deployments do not register on the app stores.



Question: What is the strategy around sales and distribution - direct sales or via partners?

Answer: Vault has a direct sales force of 12 FTE from a complete workforce of 65 FTE. Vault will continue to seek to execute sales directly for some opportunities but is also focussed on ensuring its resellers/partners, in all geographies we operate, are properly supported. Vault provides ongoing support to its partners and resellers with; collateral, campaigns, marketing material, online training and other elements to assist with managing opportunities and closing sales. Initially, Vault works with partners on a co-selling basis but those resellers/partners are likely to require less support from Vault over time (as resellers and partners build internal capability).



Question: Now that Vault has exceeded the forecast guidance of \$10M CARR for FY20, will Vault be issuing revised guidance for FY20?

Answer: The recent significant contract wins has caused Vault to review its CARR guidance for FY20. As referred to in our ASX announcement on 20 November 2019, Vault intends to provide updated guidance once it has completed that review.



Question: Vault is working with a number of organisations, why aren't all partnerships/collaborations announced to market?

Answer: Vault is working with a number of organisations, including MePACS (collaboration in the Health and Aging sectors) and WellteQ (focused on wellbeing), but there are no minimum revenue commitments (no CARR impact) and therefore Vault does not consider those contracts to be materially price sensitive. We do however work with those partners on public relations activities and any revenue/ARR from those collaborations will be reflected within our periodic financial reports.

Ends.

For more information:

Investor Relations

Simon Hinsley

simon@nwrcommunications.com.au

+61 401 809 653

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.

Follow Us On



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.

