



ASX ANNOUNCEMENT, 9 June 2017

# GROWTH INITIATIVES, \$5M EQUITY RAISING AND FINANCE FACILITIES

- Vivid Technology is investing in a range of working capital initiatives to meet the continued growth in domestic and global demand including delivery of a multi-site roll out strategy for its intelligent lighting solutions
- Initiatives to be funded by raising up to approximately \$5.0 million through an Equity Raising comprising a:
  - o Placement of fully paid ordinary shares at 4.5 cents per share to certain sophisticated and professional investors to raise approximately \$3.1 million, and
  - o 1 for 10 pro-rata non-renounceable entitlement offer of fully paid ordinary shares at 4.5 cents per share to existing eligible shareholders to raise up to approximately \$1.9 million, with the first \$1.5million underwritten.
- Term sheets entered with a nonbank financial institution for new revolving working capital facilities, which are expected to add short term working capital flexibility

**Vivid Technology Limited (ASX: VIV)** (Vivid Technology) has received commitments for a placement of fully paid ordinary shares to sophisticated and professional investors to raise approximately \$3.1 million (Placement) at 4.5 cents per share. Additionally, Vivid Technology will also raise up to approximately \$1.9 million further through a pro-rata non-renounceable 1 for 10 entitlement offer of fully paid ordinary shares (New Shares) at 4.5 cents per share to existing eligible shareholders (Entitlement Offer) (Directors will be taking up their full entitlements). The first \$1.5 million of the Entitlement Offer is underwritten by Fielding Hill Capital Pty Ltd (Underwriter).

Combined, the Placement and Entitlement Offer (together, the Equity Raising) are planned to raise up to approximately \$5.0 million (before costs).

## Growth initiatives

With global brands and blue-chip customers becoming repeat customers, Vivid Technology is implementing additional and accelerated growth initiatives to meet the continued increase in domestic and international demand for its full service intelligent lighting solutions.

Vivid Technology plans to invest in working capital, ongoing innovation, additional research and smart manufacturing capacity to meet a growing pipeline of secured and prospective customers.

These initiatives are expected to enhance Vivid Technology's growth trajectory and revenues.

The current focus of the business are near term pipeline opportunities from existing customers, as well as significant other opportunities from several other identified sites

Funds raised from the Equity Raising (after costs) will be primarily used to fund investment in the company's growth initiatives, including:

- Assisting the company in pursuing its short-term revenue opportunities, including significant identified opportunities with existing customers.
- Continuing to develop additional recurring revenue streams including "Asset Management" revenue via Lighting-as-a-Service commercial sales model, along with ongoing technology research and development.
- Supporting the company's scaling to address increasing growth opportunities and objectives across both the domestic and international markets.
- Repaying the existing short-term debt facility (\$750,000) (to be replaced by new short term revolving working capital facilities).
- General working capital purposes.

Other uses of funds may include supporting the company's investment in NewCO2Fuels as it progresses finalisation of the commercialisation of its technology (including in conjunction with Sinopec Engineering Group), and for general corporate purposes.

## About the Placement

Vivid Technology has successfully made a placement of new ordinary shares to certain sophisticated and professional investors at the issue price of 4.5 cents per share to raise approximately \$3.1 million. It is expected that approximately 70,000,000 fully paid ordinary shares will be issued as part of the Placement.

Shareholders will be eligible to participate in the Entitlement Offer in respect of any shares issued to them under the Placement.

## About the Entitlement Offer

The offer price for the Entitlement Offer is 4.5 cents per New Share (Offer Price). Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 New Share for every 10 existing fully paid ordinary shares held at 7.00 pm (Melbourne time) on 21 June 2017 (Record Date) at the Offer Price.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible.

In addition to being able to apply for new shares under the Entitlement Offer, eligible shareholders will also have the ability to apply for additional new shares in excess of their entitlement that are not subscribed for by other eligible shareholders under the Entitlement Offer at the Offer Price.

If following the above allocation there remains a shortfall it will then be allocated to the Underwriter to the aggregate amount of \$1.5 million. The Directors reserve the right to place any unissued shares within 3 months after the close of the Entitlement Offer.

Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A

copy of the information booklet will also be lodged with ASX. Vivid Technology will also dispatch a letter in relation to the Entitlement Offer to each holder of options. Those shareholders who Vivid Technology determines to be ineligible shareholders will also be notified.

An investor presentation on the Entitlement Offer has been lodged with ASX today. The investor presentation contains important information, including a summary of key risks associated with an investment in Vivid Technology with respect to the Entitlement Offer.

## Equity Raising Key Dates

Event	Date
Announcement of the Equity Raising	9 June 2017
Settlement of Placement	16 June 2017
Issue and Allotment of Placement Shares	19 June 2017
Shares traded on an "ex" entitlement basis	20 June 2017
Record Date for eligibility to participate in the Entitlement Offer	21 June 2017
Dispatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to eligible shareholders	22 June 2017
Entitlement Offer opens	22 June 2017
Last date to extend the Closing Date for the Entitlement Offer	3 July 2017
Entitlement Offer closes	6 July 2017
New Shares under the Entitlement Offer quoted on deferred settlement basis	7 July 2017
Shortfall (if any) announced to ASX	10 July 2017
Settlement of New Shares under the Entitlement Offer	11 July 2017
Issue of New Shares under the Entitlement Offer	12 July 2017
Dispatch of Holding Statements	13 July 2017
New Shares under Entitlement Offer commence trading on a normal settlement basis	13 July 2017

All dates are indicative only and subject to change. All times and dates refer to times and dates in Melbourne, Australia. Subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and any other applicable laws, Vivid Technology reserves the right, with the consent of the Underwriter, to withdraw or vary the timetable without notice.

## New finance facilities

Vivid Technology is also pleased to announce that it has entered into term sheets for new secured working capital facilities which are expected to add short term working capital flexibility. These revolving short term facilities are from a nonbank financial institution, with accessible limits driven by the level of customer account activity from time to time. The maximum limits available under full use scenario are \$6million. Use of these facilities is subject to execution of detailed documentation and security arrangements, and to certain preconditions commensurate with facilities of this type which are expected to be met following completion of the Placement.

The trading halt in the Company's shares can now be lifted.

Vivid Technology's Managing Director Samuel Marks said:

*"We would like to take this opportunity to thank our new and existing shareholders. To receive this strong support is an indication of the shared belief in our vision, and the extraordinary efforts by the whole Vivid Technology team that has established a strong platform for growth.*

*"This capital strategy represents a major step forwards for Vivid Technology. The combination of the new equity and finance facilities is expected to provide flexibility for the business to focus on implementing its industrial and commercial lighting systems at multiple sites in Australia and internationally, delivering compelling energy savings for current and future customers.*

*"Thank you to our shareholders for the continued support, it is a pleasure to be involved with a forward thinking, innovative and cutting edge Australian technology company, competing at a global level."*

**– ENDS –**

## About Vivid Technology

Vivid Technology Limited is a diversified Australian-based company with interests in technology focused solutions in the industrial energy efficiency and CO<sub>2</sub>-to-fuel conversion markets.

Vivid Technology - <http://www.vividtechnology.com.au>

## About Vivid Industrial

Vivid Industrial is a subsidiary of Vivid Technology, providing customised, intelligent and energy efficient cloud based solutions for our growing industrial and infrastructure client base. The "internet of lights" and "cloud based monitoring" delivers quantifiable efficiencies and significant cost savings with environmentally sustainable benefits for our customers.

The business' core technologies are designed for application in warehouses, distribution centres, cold storage facilities, ports, stadiums, car parks, roads and tunnels. Vivid Industrial is a trusted partner to our customer base of blue chip, industrial companies.

During the 2016 financial year Vivid Industrial acquired Vivid Illumalite, a business specialising in creating highly effective, energy-saving lighting solutions predominantly for commercial and government clients that generate significant cost savings and reduce environmental impact.

Vivid Industrial - <http://www.vividindustrial.com>

Vivid Illumalite - <http://www.vividillumalite.com>

## About NewCO2Fuels

NewCO2Fuels (NCF) is an Israeli start-up company which was formed in 2011 by a group of scientists and entrepreneurs with the support of Vivid Technology and the Erdi Group.

NCF was formed to develop and commercialise an innovative system to profitably produce fuels from CO<sub>2</sub> and water, using renewable high temperature heat from solar or excess heat from industry. The system is based on a technology previously developed at the Weizmann Institute of Science and exclusively licensed to NCF.

NCF won the World Technology Network award for Energy in November 2014, and has received numerous grants and accolades from governments around the world. Its technology has also been independently validated by several major international engineering and technology consultancy firms.

Vivid Technology's 33.33% effective economic interest in NCF is represented by its 50% ownership of NCF Global, a company that owns 66.67% of NCF. The other 50% of NCF Global is owned by the Erdi Group, which is also a shareholder in Vivid Technology.

NewCO2Fuels Website - <http://newco2fuels.co.il/>