



ASX ANNOUNCEMENT, 30 April 2018

APPENDIX 4C QUARTERLY CASH FLOW REPORT

HIGHLIGHTS

- **\$0.7 million cash receipts from customers for the quarter (a 34% increase year-on-year)**
- **Cash on hand of \$1.2 million at 31st March 2018**
- **Continued excellent strong order book growth with cumulative FY18 customer orders now \$8.6m**
- **Sinopec Engineering signs Commercialisation agreement with NewCO2Fuels**
- **Vivid Technology awarded “2018 Australian Smart Lighting Solutions Company of the Year”**

Vivid Technology Limited (ASX: VIV) attaches its Appendix 4C (cash flow report) for the quarter ended 31 March 2018.

As identified in our previous quarter and half year summary, industry seasonality had an impact on cash flow momentum. Despite this, cash receipts grew 34% compared to the previous year across the same seasonal March quarter.

On the Energy Efficiency business unit, the company continue to build its strong order book, with over \$8.6m in orders received to date in 2017/2018 financial year.

The investment in NewCO2Fuels saw a historic signing of a commercialisation agreement with Sinopec Engineering Group, a subsidiary of Sinopec, #3 Fortune 500 2018.

Vivid Technology continues on-track with its planned growth trajectory and execution plan as outlined in prior announcements.

Vivid Technology Limited **ABN:** 60 120 710 625 **ASX:** VIV
Level 14, 500 Collins Street. Melbourne Vic 3000 | PO Box 24, Collins Street West, Vic 8007
T: +61 3 8625 0500 **F:** +61 3 9629 1624 **E:** info@vividtechnology.com.au
vividtechnology.com.au

200



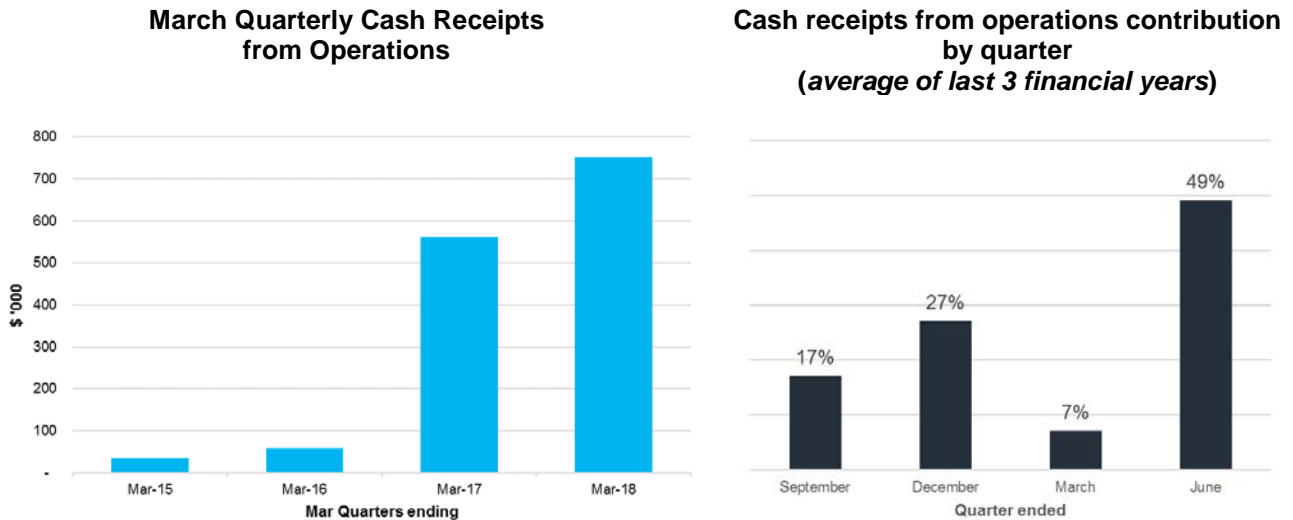
Businesses of
Tomorrow 2017 WINNER



NATIONAL
ENERGY EFFICIENCY
AWARDS 2017
WINNER

Continued growth in customer receipts

Despite seasonality challenges of the quarter, which historically yields less cash receipts than other quarters, cash receipts increased 34% to \$0.7 million compared to the PCP (previous corresponding period).



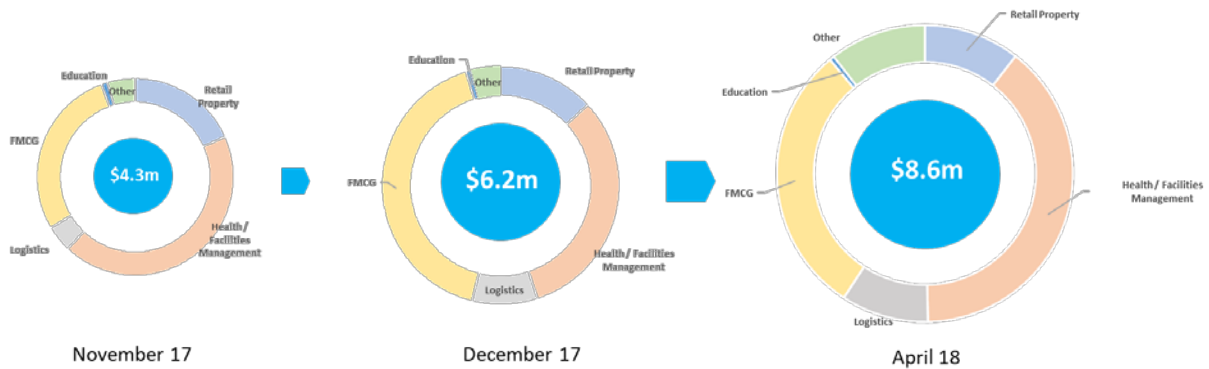
Vivid Technology continued to build momentum across its broad industrial and commercial customer base over the quarter, both domestically and internationally.

The capability of our highly efficient intelligent lighting platform resulted in continued repeat business from the company's existing large blue-chip customer base. This included increased activity across key accounts (preferred supplier arrangements, and repeat customers in the logistics, shopping centers and aged care facilities), together with new contract wins in the Healthcare, Manufacturing and FMCG sectors.

This take up continues to strengthen the company's order book, of which conversion of these identified near-term pipeline opportunities for delivery into 2018 is a prime focus.

Cumulative customer orders received for delivery in FY18 has now grown to \$8.6m. This represents a 38.7% increase from order book value reported in the December 2017 quarter.

Cumulative Customer Orders for delivery in FY18



The strong order book value and increased cash receipts, in a seasonally impacted quarter, again highlight the continued successful execution of Vivid Technology’s corporate strategy around scale-up and growth.

Validation of the benefits ascribed from Vivid Technology’s “Lighting-as-a-Service” delivery models has seen adoption by new key customers. Under this model, Vivid Technology will maintain, update and guarantee the performance of the installed system over the term of the contract, which can be up to 15yrs or more.

The “Lighting-as-a-Service” model will deliver Vivid Technology with an annuity revenue stream, which in time will help mitigate project-based seasonality impacts.

Continued Scale-Up Growth Momentum

Vivid Technology continued to scale-up across a number of key operational areas, positioning itself to leverage both the current strong order pipeline and build for global sales opportunities of our technologies.

The Company is investing in expanding its sales and operational capacity with new staff hires in the sales and operational areas which will support our growth trajectory and provide increased capacity to service our growing customer base. The company has also appointed a globally experienced Chief Marketing Officer who will be instrumental in positioning Vivid Technology in the market place as a global leading cleantech company.

Technology Evolution Applicability

Vivid Technology's continued order growth has been a result of customers increasingly understanding the tangible efficiency benefits delivered from our expertise in smart lighting systems design, Internet of Things (IoT) and data analytics capabilities.

Vivid Technology's MATRXXX® intelligent platform, securely communicated through Cloud Konnect™ IoT communications and Klarity™ smart data analytics, provides businesses with transparent insights into their site operations and help customers optimise their energy and operational efficiency capabilities. Increasingly many customers recognise the system will provide them with a key platform to support the transition to an Industry 4.0 organisation.

Further Industry Recognition

During the quarter, Vivid Technology was again recognised across the industry for its leading technological cleantech capability, with the awarding of Frost & Sullivan's Excellence Award for 2018 Australia Smart Lighting Solution Company of the Year.

Other winners for 2018 included Jones Lang Laselle for Australia Facilities Management Company of the Year, Schneider Electric, Australia UPS Services Company of the Year (<http://frost-apac.com/ausawards/>)

This is the second time that Vivid Technology has been awarded this accolade and highlights the company's success in smart lighting solutions.



Technology investment: NewCO2Fuels

NewCO2Fuels (“NCF”) 3Q18 activities focused on the successful signing of the commercialisation agreement in China between NCF and Sinopec Engineering (Group) Co. Ltd. (“SEG” (2386.HK)) for the Chinese market. SEG, with a market capitalisation of ~AUD\$6Billion, is a subsidiary of the Sinopec Group (China Petrochemical Corporation), currently number 3 on the Fortune 500 (market capitalisation of ~AUD\$145Billion).

A signing ceremony took place subsequent to the end of the quarter, on Friday 13th April 2018 in Beijing, China.



President & Executive Director of SEG Xiang Wenwu & Mr Robert Annells, Director of NCF, shake hands at the official signing ceremony as Mr Samuel Marks, Director of NewCO2Fuels and Mr Shi Jingwei, Deputy Chief Economist of SEG finalise the Commercialisation agreement

Sinopec is the world’s largest petrochemical enterprise group, employing more people (circa 1 million) than all the companies in the ASX top 20 combined. The company explores all things energy-related, including oil and coal to emerging electricity and steam. Sinopec operates its business through 7 major segments including Exploration and Production, Refining, Marketing and Distribution, Chemicals, and Corporate and Others.

Sinopec executed on a green and low-carbon development strategy in 2017, focusing on an “Efficiency Doubling Plan”, resulting in reducing major pollutant emissions lower than government set criteria. Capital expenditures for the groups 2018 year are budgeted at RMB 117 billion (~AUD\$24 billion).

Sinopec validated the capability of NewCO2Fuels technology as a financially viable and valuable technologically proven solution to the global problem of CO₂ reduction, which will turn company’s by-products into additional profits, while having a net benefit for the environment. Together, SEG, NCF and other potential partners will create a path to roll out full-scale plants across China.

The NewCO2Fuels technology team in Israel also continued to review adjacent opportunities in the growing Hydrogen conversion markets utilising the same technology.

Further meetings continue with other global groups about additional pilots and commercialisation opportunities in Australia and South East Asia.

Management Commentary

Vivid Technology's Managing Director Samuel Marks said: *"This quarter has again been characterised by sustained growth activity across customer acquisition and operational scale-up activities, with the group tracking as planned on its growth strategy."*

"Cash receipts have been in-line with expectations and previous commentary around the understanding of the seasonality of project-based revenues. In a seasonally challenging quarter, cash receipts increased by 34% when compared to the previous period last year. This reaffirms our strong pipeline and growth trajectory and in time will see this seasonality increasingly mitigated as our annuity based "Lighting-as-a-Service" delivery model gains market traction."

"Vivid Technology continues to be recognised by both its customers and its industry peers as being able to tangibly deliver efficiency savings and capability now and into the future. Vivid Technology is a partner of choice for many large blue-chip organisations, domestically and internationally."

"Our investment in NewCO2Fuels saw a step-change in the commercialisation stage with the execution of a world-first agreement with Sinopec Engineering Group. This agreement is a significant event not only for NCF and its shareholders, but also a step towards a technology development which has the potential to change the direction of CO₂ emissions globally. The independent validation by SEG is extremely compelling for the future of this technology."

"Our business continues to execute on our planned strategy around "Scale-up and Growth", remaining diligently focused on delivering world leading technologies for our customers and shareholders."

– 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 CO₂-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.

Vivid Ilumalite is 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 Ilumalite - <http://www.vividilumalite.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 CO₂ 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% effective economic interest in NCF is represented by its 50% ownership of NCF Global, a company that owns 66% 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/>

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

VIVID TECHNOLOGY LIMITED

ABN

60 120 710 625

Quarter ended ("current quarter")

31 March 2018

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	753	6,515
1.2 Payments for		
(a) research and development	(30)	(143)
(b) product manufacturing and operating costs	(1,844)	(4,648)
(c) advertising and marketing	(3)	(15)
(d) leased assets	-	-
(e) staff costs	(1,056)	(2,945)
(f) administration and corporate costs	(526)	(1,406)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(12)	(27)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	625
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,717)	(2,039)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(13)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(80)	(395)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(83)	(408)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,946
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	-	(234)
3.5 Proceeds from borrowings	727	1,386
3.6 Repayment of borrowings	(624)	(957)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	103	2,141

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	3,905	1,514
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,717)	(2,039)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(83)	(408)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	103	2,141
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,208	1,208

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	1,208	3,905
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,208	3,905

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**

152

-

Directors' salaries (executive) \$87,417
Directors' fees (non-executive) \$64,331

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**

-

80

Loans advanced to NCF Global Pty Ltd \$80,092

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	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (Trade Finance Facilities)	500	465
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.		

In June 2017, Vivid Technology announced that it has entered into term sheets for short-term revolving working capital facilities with accessible limits driven by the level of customer account activity from time to time, with the maximum limits available under full use scenario being \$6.0m (comprising up to \$1.0m via a Trade Finance Facility and up to \$5.0m via a Borrowing Base Overdraft facility). During the September 2017 quarter, the first \$0.5m of the trade finance facility was established, which is a secured facility with Moneytech Finance Pty Ltd bearing an interest rate on drawn funds of 9.48% p.a.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	245
9.2 Product manufacturing and operating costs	2,793
9.3 Advertising and marketing	27
9.4 Leased assets	-
9.5 Staff costs	1,041
9.6 Administration and corporate costs	385
9.7 Other	1,007
9.8 Total estimated cash outflows	5,498

* The company is an operating business that generates cash inflows each quarter, including receipts from customers. Estimated cash outflows are based on certain assumptions including the level of estimated inflows. The above summary of estimated cash outflows does not reflect the anticipated net cash flows for the following quarter, as it excludes cash inflows (such as receipts from customers).

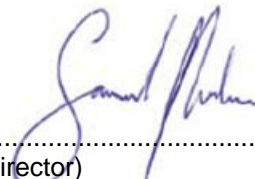
10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Not applicable	Not applicable
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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)



Date: 30 April 2018

Print name: Samuel Marks

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.