VIVID TECHNOLOGY LTD
ACN 120 710 625
AND CONTROLLED ENTITIES

FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A

Rule 4.3A

Appendix 4E **Preliminary Final Report**

Name of entity

VIVID TECHNOLOGY LIMITED

ABN: 60 120 710 625

1. Reporting period

Report for the financial year ended 30 June 2018
Previous corresponding period is the financial year ended 30 June 2017

2. Results for announcement to the market

Revenues from ordinary activities *(item 2.1)*	up	128.3%	to	$8,239,648
Loss from ordinary activities after tax attributable to members (*item 2.2*)	down	1.2%	to	$5,395,230
Net loss for the period attributable to members *(item 2.3)*	up	1.2%	to	$5,395,230

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Final dividend	Nil	Nil
Record date for determining entitlements to the dividend *(item 2.5)*	Not Applicable	

Commentary on Results *(item 2.6)*:

See below.

Key Highlights

The range of growth activities over the past year highlights the successful execution of our corporate strategy to move Vivid Technology from start-up to scale-up as highlighted below;

- Total revenues increased by 128% to $8.2m, with *Sales Revenue from Energy Efficiency up 220% to $7.3m*
- *FY18 Customer Receipts of $9.5m* are the best Vivid Technology has had since inception
- Increased investment in international growth, marketing and R&D
- Successful Partnership with Origin Energy offering 'Lighting as a Service' to its customer base
- NewCO2 Fuels saw Commercialisation Agreements signed in China with the #3 in Fortune 500, Sinopec along with a Sales & Marketing agreement with Blooming Technology
- Vivid Technology attained B Corp™ Certification
- Continued industry and partner recognition of our award-winning Energy Efficient Technologies

Review of operations

The consolidated loss after income tax attributable to the members of Vivid Technology Limited ("the Company or Group") was $5,395,230 (2017: $5,459,242 loss). The result reflects the group's continued investment in growth initiatives, driving opportunities for commercial success and increase in its capabilities in the energy efficiency and smart data business unit. The result reaffirms the Group's foreshadowed investment in the development of long term partner and client relationships across our service portfolios; research & development with a focus on technology cost reduction; evolution of new and enhanced product range; and expansion opportunities, including overseas markets.

Total Revenues grew by 128% from $3,609,490 in 2017 to $8,239,648 in 2018, whilst Sales Revenue attributable to Energy Efficiency product sales grew by 220% from $2,271,521 in 2017 to $7,259,322 in 2018.

Additional investment was made into the Company's Technology Investment in NewCO2fuels, as it moved into a commercialisation phase, post the signing of an agreement with Sinopec Engineering Group during the period.

Operational highlights for the year are outlined below, including a review of the activities of each business unit and key drivers of results.

The Company's core focus continues to be the delivery of intelligent energy efficiency, smart data and carbon reduction technology. The Company's principal activities are operating businesses focused on the sales and installation of energy efficient technology solutions in the Industrial and Commercial sectors, investments in further energy efficiency technologies, along with other renewable energy research and development projects. These activities are represented primarily by the following business units:

Energy Efficiency - delivering intelligent energy efficiency technology to industrial and commercial businesses, that are continuing to feel the pressures of increasing energy prices and volatile market conditions. Being at the forefront of installing intelligent systems that create "Industry 4.0 ready" businesses and deliver rich site-specific data and reporting. These activities are conducted via wholly-owned subsidiaries Vivid Industrial Pty Ltd ("Vivid Industrial") and Ilum-a-Lite Pty Ltd ("Vivid Ilumalite").

Technology Investment - represented by the company's investment in NewCO2Fuels Limited, a company that is commercialising its CO_2-to-fuels technology. The technology enables the production of fuel from CO_2 emissions and improves the energy efficiency of industrial processes. The group's investment is held via a 50% interest in NCF Global, which owns 66% of NewCO2Fuels.

Market Dynamics

Increasing power costs, energy policy uncertainty and profitability pressures continued to characterise current market dynamics which are creating opportunities for Vivid Technology to deliver technology driven solutions to these market pressures. With an increased need for site specific data, businesses are also starting to transition to intelligent lighting platforms rather than non-communicative lighting devices.

During the year, Vivid Technology continued to execute on its Strategic Plan to be a leader in this transition, challenging incumbent models by demonstrating tangible results through its market leading energy efficient technology including its Internet of Things ("IoT") enabled intelligent lighting platform and "Lighting-as-a-Service" (LaaS) offering.

Customers

Vivid Technology continued to sell and market its intelligent lighting platform and range of energy efficient lighting solutions to new customers, resulting in a 220% growth in Sales Revenue across a range of market segments including Logistics, FMCG, Health, Retail and Facilities Management.

The company also sustained its focus to build strong partnerships with existing customers and extend existing customer portfolios. This reflects ongoing validated project successes and the company's capability to deliver tangible lighting energy savings in excess of 85%. Validated project success has also led to an increase in the number of referrals from existing customers as well as public recognition from customers.

While most sales were generated from Australian based sites, the company strengthened its capability across international markets in FY18. In Southeast Asia, the company expanded its presence, building on its established partners in Hong Kong and Vietnam. Vivid Technology is also verifying opportunities in European markets, with initial sites in an advanced investigation stage.

Channel Partnerships

Over the last year Vivid Technology furthered its working relationship with Industry Partners as part of its corporate strategy to broaden market adoption and increase channels to market.

Subsequent to the end of the financial year, the company announced a new channel partnership with Origin Energy (ORG:ASX), where Vivid Technology will look to deploy its award-winning *intelligent IoT lighting platform MATRIXX®, as a "lighting-as-a-service" offering marketed and sold by Origin Energy* under the "LightingFlex" brand.

The Origin partnership will expand Vivid Technology's sales reach capability of its MATRIXX® intelligent IoT lighting platform and LaaS solution, to companies across Australia.

Revenue Models

The LaaS product "LightingFlex" provides customers *lighting-as-a-service* over an agreed number of years, delivered by the MATRIXX® intelligent IoT lighting platform, fully installed, managed and monitored without any upfront cost for an agreed contract term. At completion of this term, customers will have the option to either upgrade or buy the current MATRIXX® intelligent IoT lighting platform outright for a nominal price.

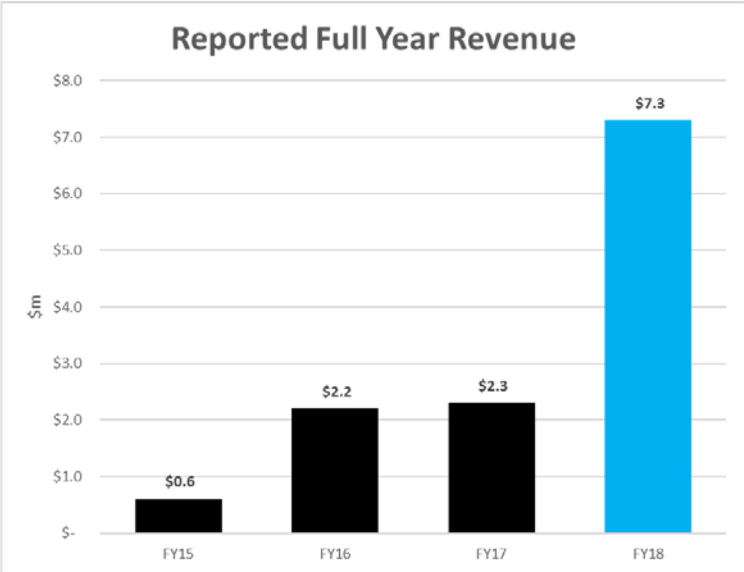
The LaaS model was also enhanced during the year with Vivid Technology providing 10-year *Service Level Agreements* (SLAs) to key blue-chip customers. This model is seeing Vivid Technology be paid to service, monitor and maintain intelligent lighting systems for customers, who purchase the systems outright, yet want Vivid to optimise their system and provide key analytics to assist their business operational improvements.

Financing

As Vivid Technology evolved from a start-up to scale-up, the business has focused on funding its operations via a combination of debt and equity. During the FY18 year, the company established a debt facility via Moneytech, which was utilised to the extent of an initial $0.5m revolving facility. With a run rate of ~$2m of revenue at the end of FY17, this facility was sufficient, with room to grow. As the order book grew to just under $10m at the end of FY18, there was a need to replace Moneytech with a larger more flexible facility which was drawn to $1.5m in July'18, post year end. This new facility may have the potential to increase, and along with the additional funding requirements currently under investigation for the LaaS / *LightingFlex* model, the Company will continue to review the optimal funding structures to both grow the business and reduce the potential dilution to shareholders by taking the assets off balance sheet as applicable.

Revenue

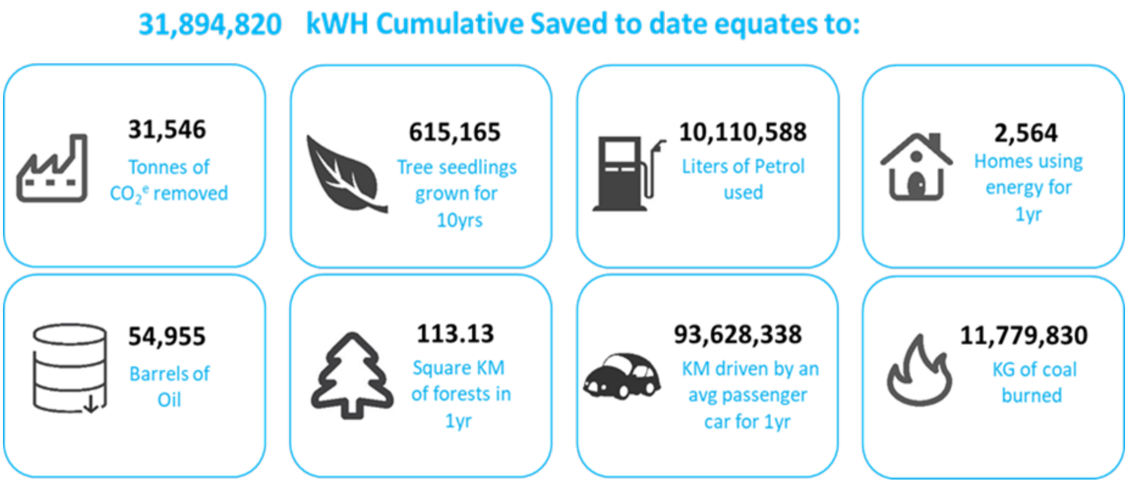
The Company had a very solid performance on revenue growth during the year, booking increased revenue of 220% over the last year, up from $2,271,521 in 2017 to $7,259,322 in 2018. This growth highlighted the continuing success of Vivid Technology sales and business development activities across the period, from a combination of both new and recurring customers. The graph below provides an indication of the year on year performance since 2015 for sale revenue related to the energy efficiency segment.



Metrics

Since inception, (as at the end of the June 30th, 2018), Vivid Technology had cumulatively over 1.3 million meters^2 of client area under light (AUL) installed, representing the area illuminated by Vivid Technology's lighting across a customer's premises in aggregate.

These energy efficiencies reflected a saving of over 31.8 million kWh, removing over 31 thousand tonnes of CO2e in the process. These savings reflected the tangible impact the company's technology has had, both financially and environmentally for our customers.



Sustainable Impact Certification

Vivid Technology achieved B Corp™ Certification during FY18, further demonstrating the company's core values as a long-term sustainable business across its financial and environmental focus.

In achieving certification, Vivid Technology became the 5th Australian listed company to achieve B Corp™ certification and joins over 2,500 progressive companies around the globe including yogurt giant Danone, Patagonia, Seventh Generation and Unilever's Ben & Jerry's.

The certification highlights Vivid Technology as a sustainable impact investment opportunity, given its capability in developing, effective, disruptive, positive energy saving and carbon reducing technologies for customers while creating customer value through reduced costs.

Industry Awards

During FY18, Vivid Technology continued to attract accolades for both its innovative intelligent technology and service-based approach to delivering tangible energy savings for our customers.

Amatil (Coca-Cola Amatil) recognised Vivid Technology's contribution by shortlisting the company for 3 award categories. Vivid Technology was recognised alongside other companies such as IBM, Telstra and KPMG. Vivid Technology was awarded the *"Rookie Partner of the Year Award"*, validating Vivid Technology's partnership approach in delivering solutions for the unique requirements of Amatil.

The Energy Efficiency Council recognised Vivid Technology's MATRIXX® platform as the *"Best Innovation in Energy Efficiency 2017"*. The awards are Australia's highest profile honours dedicated to excellence in energy efficiency. The award recognised the unique Australian designed and manufactured, MATRIXX® technology, which demonstrated its capability as a highly effective "industrial internet of things" lighting platform, consistently generating benchmarked energy savings in excess of 85%, significantly reducing energy cost and life-cycle environmental impact.

Frost & Sullivan recognised Vivid Technology for its leading technological cleantech capability by awarding the *"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. This is the second time that Vivid Technology has been awarded this accolade and highlights the company's success in smart lighting solutions.

Research and Development

Vivid Technology continues to invest in research and development of products and services for industrial and commercial lighting applications, with a focus on energy savings and connectivity capabilities.

A collaboration with CSIRO on advanced manufacturing materials and technology led to improvements in manufacturing lead times and flexibility, and enhanced product outcomes for customers. This enabled Vivid Technology to leverage specialist capability while retaining the benefit of the technology.

The centralised lighting systems deployed by the group were also further enhanced to incorporate connectivity with additional elements of building management systems, and increased data and reporting capabilities. As part of the IoT revolution, developments in lighting control systems also lead directly to enhanced maintenance and support capability, reduced site attendance requirements, and increased insight into lighting, energy, and building usage patterns. At the end of the financial year, the Company also launched a battery back-up range which enables an emergency lighting system to run in parallel with the MATRIXX® platform.

Vivid Technology remains a technology company, which will continue to invest in the future of its product range. The investments are focused on revenue generating opportunities both on current and new products.

Technology Investment

NewCO2Fuels (NCF) is an Israeli start-up company that has developed a technology to produce clean synthetic fuel using abundant industrial waste (CO_2) and H_2O as feedstock.

Its focus during the year was on progressing the commercialisation of this technology, with negotiations underway with key potential global partners.

NCF's efforts culminated during the year in finalising the commercialisation agreement with Sinopec Engineering Group Co Ltd (SEG) in China. SEG is a wholly owned subsidiary of Sinopec Group, ranked #3 in the Fortune 500, 2018. Additional opportunities continued to be investigated, including commercialisation partners in key regions across the globe. The focus on China, which represents a significant portion of the addressable market for NCF's technology, saw the signing of two key commercialisation documents as follows:

- Sinopec Engineering (Group) Co Ltd (SEG): The SEG Commercialisation agreement is focused on taking NCF's technology from proof of concept, to a full-scale pilot facility in China. This next stage would see the technology built in an operating environment, to enable rapid scale up of deployed modules in a short period of time following achievement of key operational milestones; and
- Blooming (Beijing) Technology Co. Ltd (BBT): The relationship with Blooming established a key partner as a sales and marketing agent for the Chinese market, to begin developing new opportunities to sell the NCF solution to key emitters of CO_2, developing sustainable and viable NCF plants in joint responsibility with the SEG team.

Further opportunities continue to grow across Asia, Europe and the United States, along with key partnerships being pursued in Australia.

Vivid Technology's 33% effective economic interest in NCF is represented by its 50% ownership of NCF Global Pty Ltd, a company that owns 66% of NCF. The other 50% of NCF Global is owned by Erdi Fuels Pty Ltd, which is also a significant shareholder in Vivid Technology.

The Group's share of the associate's loss for the year was $434,388 (2017: $353,689) resulting from increased costs associated with its drive to commercialisation. Support of ongoing NCF commercialisation activity led to advances of $339,501 to NCF Global and contributed to the increase in travel and legal costs within the company. During the financial year, the group recorded cost reimbursements totalling $202,589 (2017: $534,140) from Erdi Fuels Pty Ltd in relation to its investment in NCF Global. The Directors believe these transactions to be on an arms-length basis.

The opportunity to derive value from NCF is emphasized by investment values observed in unrelated similar stage companies in adjacent renewable fuels industries, along with early stage negotiations currently underway with potential investors in NCF post signing of the SEG Commercialisation agreement.

Outlook

The Directors and Executive Management of the Company are excited about the year ahead and committed to building on the solid foundations established over the prior years to realise the full potential of the Company. During the coming financial year, Vivid Technology is seeking to monetise its investment in NCF, following the significant advances made in commercialising the technology, along with progressing our planned strengthening of Vivid Technology's balance sheet to enable growth for the Lighting-as-a-Service model and its targeted expansion into new markets.

Vivid Technology has now built and proven a world leading, award-winning technology, both on energy savings and as a platform that enables buildings to become Industry 4.0 transformed and future proof. With the established blue-chip customer base providing repeat orders and references to new customers, along with the new paths to monetise the current technology and data, Vivid Technology has more insight and visibility into its pipeline than ever before. Due to this sales pipeline insight and the building of multiple long-term annuity income streams, Vivid Technology is planning on strong double-digit growth in revenue for the coming year.

3. Statement of Comprehensive Income *(item 3)*

Refer to the attached statement and relevant notes

4. Statement of Financial Position *(item 4)*

Refer to the attached statement and relevant notes

5. Statement of Cash Flows *(item 5)*

Refer to the attached statement and relevant notes

6. Statement of changes in equity (*item 6)*

Refer to the attached statement and relevant notes

7. Dividends *(item 7)*

	Date of payment	**Total amount of dividend**
Final dividend – year ended 30 June 2018	Not applicable	$nil
Interim dividend – year ended 30 June 2018	Not applicable	$nil

Amount per security

		Amount per security	Franked amount per security	Amount per security of foreign sourced dividend
Total dividend:	Current year	nil¢	nil ¢	nil ¢
	Previous year	nil¢	nil ¢	nil ¢

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities (*each class separately)*	nil	nil
Total	**nil**	**nil**

8. Details of dividend or distribution reinvestment plans in operation are described below *(item 8)*:

The company does not currently have a dividend reinvestment plan.	
The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	Not applicable

9. Net tangible assets per security *(item 9)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.07 cents	0.9 cents

10. Details of entities over which control has been gained or lost during the period: *(item 10)*

Control gained over entities

Name of entities *(item 10.1)*	Not applicable
Date(s) of gain of control *(item 10.2)*	Not applicable
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 10.3)*	Not applicable
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 10.3)*	Not applicable

Loss of control of entities

Name of entities *(item 10.1)*	Not applicable
Date(s) of loss of control *(item 10.2)*	Not applicable
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost *(item 10.3).*	Not applicable
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 10.3)*	Not applicable

11. Details of associates and joint venture entities *(item 11)*

Name of associate or joint venture entity *(item 11.1)*	**%Securities held** *(item 11.2)*
NCF Global Pty Ltd	50%
PT Geopower Indonesia	40%

Aggregate share of profits (losses) of associates and joint venture entities *(item 11.3)*

Group's share of associates' and joint venture entities':	2018 $	2017 $
(Loss) from ordinary activities before tax	(1,323,793)	(1,061,230)
Income tax on ordinary activities	-	-
Net (loss) from ordinary activities after tax	(1,323,793)	(1,061,230)
Adjustments	-	-
Share of net (loss) of associates and joint venture entities	(434,388)	(353,689)

12. Significant information relating to the entity's financial performance and financial position. *(item 12)*

Refer to the commentary at item 14 below, and to the attached consolidated financial statements and notes thereto.

12. Foreign entity accounting standards. *(item 13)*

Not applicable.

14. Commentary on the results for the period. *(item 14)*

Earnings per security

The basic and diluted loss per security was 1.14 cents, down from 1.53 cents in the previous corresponding period due to the net increase in the number of shares on issue. Options on issue are considered to be antidilutive and therefore diluted loss per security is equal to basic loss per security.

Returns to shareholders

There were no share distributions or buy backs during the period.

Significant features of operating performance, results of significant segments, trends in performance and other factors:

A review of the operations and results of the consolidated entity is included in the Directors' Report contained in the attached consolidated financial report. Refer to the attached report for information on factors which have affected the results for the period or which are likely to affect results in the future.

15. Audit of the financial report *(item 15)*
Select one of the following

☐ The financial report has been audited

☐ The financial report has not yet been audited.

✓ The financial report is in the process of being audited.

16. The audit has not yet been completed *(item 16)*
Select one of the following:

☐ The financial report is not likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph.

✓ The financial report is likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph as described below.

The financial report is likely to contain an independent audit report that is subject to an emphasis of matter paragraph in relation to Going Concern.

17. **The audit has been completed.** *(item 17*
Select one of the following:

- ▯ The financial report contains an independent audit report that is not subject to a modified opinion, emphasis of matter or other matter paragraph.
- ☐ The financial report contains an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph as described below.

Not applicable.

Vivid Technology Limited

ACN: 120 710 625
and controlled entities

PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Dated this 31 August 2018

VIVID TECHNOLOGY LIMITED
AND CONTROLLED ENTITIES
ACN: 120 710 625

PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

TABLE OF CONTENTS

VIVID TECHNOLOGY LIMITED
AND CONTROLLED ENTITIES
ACN: 120 710 625

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Revenue and other income			
Sales revenue	2	7,259,322	2,271,521
Other income	2	980,326	1,337,969
		8,239,648	3,609,490
Less: Expenses			
Employee benefits expense	3	(4,194,202)	(3,963,916)
Costs incurred in the sale of inventories		(5,231,989)	(1,677,723)
Depreciation and amortisation	3	(88,771)	(68,884)
Finance costs	3	(78,395)	(115,941)
Accounting and audit expenses		(254,988)	(136,340)
Marketing and promotion expenses		(365,575)	(169,434)
Rent and occupancy expenses		(291,074)	(270,136)
Consulting expenses		(412,299)	(321,102)
Impairment expense	3	-	(82,859)
Administrative expenses	3	(1,836,950)	(1,477,397)
Other expenses	3	(446,247)	(431,311)
TOTAL EXPENSES		(13,200,490)	(8,715,043)
Share of net losses of associates accounted for using the equity method		(434,388)	(353,689)
LOSS BEFORE INCOME TAX EXPENSE		(5,395,230)	(5,459,242)
Income tax expense		-	-
NET LOSS FROM CONTINUING OPERATIONS		(5,395,230)	(5,459,242)
Loss for the year		(5,395,230)	(5,459,242)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(5,395,230)	(5,459,242)
Loss is attributable to:			
Members of the parent		(5,395,230)	(5,459,242)
Non-controlling interest		-	-
		(5,395,230)	(5,459,242)
Earnings per share for loss attributable to the equity holders of the parent entity:			
Basic loss per share (cents per share)		(1.14)	(1.53)
Diluted loss per share (cents per share)		(1.14)	(1.53)

VIVID TECHNOLOGY LIMITED
AND CONTROLLED ENTITIES
ACN: 120 710 625

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 $	2017 $
Current assets			
Cash and cash equivalents		605,747	1,514,246
Receivables		1,123,678	791,067
Inventories		1,024,746	1,593,369
Other financial assets		54,124	54,124
Other current assets		393,152	225,351
TOTAL CURRENT ASSETS		3,201,447	4,178,157
Non-current assets			
Receivables		1,126,533	686,076
Equity accounted investments		1,137,797	1,572,185
Property, plant and equipment		198,107	168,141
Intangible assets		2,120,622	2,108,009
TOTAL NON-CURRENT ASSETS		4,583,059	4,534,411
TOTAL ASSETS		7,784,506	8,712,568
Current liabilities			
Payables		2,827,948	1,614,929
Borrowings		575,788	35,000
Income in advance	2(c)	1,309,708	573,618
Provisions		423,845	295,905
TOTAL CURRENT LIABILITIES		5,137,289	2,519,452
Non-current liabilities			
Provisions		146,254	156,491
Borrowings		55,753	66,111
TOTAL NON-CURRENT LIABILITIES		202,007	222,602
TOTAL LIABILITIES		5,339,296	2,742,054
NET ASSETS		2,445,210	5,970,514
Equity			
Share capital		36,855,596	35,205,628
Reserves		610,316	677,458
Accumulated losses		(34,980,365)	(29,872,235)
EQUITY ATTRIBUTABLE TO THE OWNERS OF VIVID TECHNOLOGY LIMITED		2,485,547	6,010,851
Non-controlling interests		(40,337)	(40,337)
TOTAL EQUITY		2,445,210	5,970,514

The above statement should be read in conjunction with the accompanying notes

VIVID TECHNOLOGY LIMITED
AND CONTROLLED ENTITIES
ACN: 120 710 625

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Consolidated entity	Share Capital	Reserves	Accumulated Losses	Non-controlling interest	Total Equity
	$	$	$	$	$
Year ended 30 June 2018					
BALANCE AT 1 JULY 2017	35,205,628	677,458	(29,872,235)	(40,337)	5,970,514
Loss for the year	-	-	(5,395,230)	-	(5,395,230)
TOTAL LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	(5,395,230)	-	(5,395,230)
Transactions with owners in their capacity as owners:					
Contributions	1,946,121	-	-	-	1,946,121
Costs of raising capital	(296,153)	165,600	-	-	(130,553)
Transfers from reserves	-	(287,100)	287,100	-	-
Equity based payments	-	54,358	-	-	54,358
	1,649,968	(67,142)	287,100	-	1,869,926
BALANCE AT 30 JUNE 2018	36,855,596	610,316	(34,980,365)	(40,337)	2,445,210
Year ended 30 June 2017					
BALANCE AT 1 JULY 2016	27,747,113	454,175	(24,470,731)	(40,337)	3,690,220
Loss for the year	-	-	(5,459,242)	-	(5,459,242)
TOTAL LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	(5,459,242)	-	(5,459,242)
Transactions with owners in their capacity as owners:					
Contributions	6,965,320	-	-	-	6,965,320
Costs of raising capital	(470,387)	-	-	-	(470,387)
Shares issued in connection with	963,582	-	-	-	963,582
the acquisition of Ilum-a-Lite Pty Ltd	-	-	-	-	-
Transfer from reserves	-	(57,738)	57,738	-	
Equity based payments	-	281,021	-	-	281,021
	7,458,515	223,283	57,738	-	7,739,536
BALANCE AT 30 JUNE 2017	35,205,628	677,458	(29,872,235)	(40,337)	5,970,514

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Cash flow from operating activities			
Receipts		9,457,246	4,711,034
Payments to suppliers and employees		(12,812,571)	(9,640,947)
Research and development rebates received		624,787	627,086
Interest received		7,246	9,340
Borrowing costs paid		(78,395)	(115,516)
NET CASH USED IN OPERATING ACTIVITIES		(2,801,687)	(4,409,003)
Cash flow from investing activities			
Purchase of property, plant and equipment		(53,924)	(33,410)
Payment for acquisition, net of cash acquired		-	(963,582)
Loans to related entities		(339,501)	(567,103)
Proceeds from disposal of listed investments		-	22,580
Payments for bonds and deposits		(54,124)	(54,124)
Proceeds from matured bonds and deposits		54,124	54,124
NET CASH USED IN INVESTING ACTIVITIES		(393,425)	(1,541,515)
Cash flow from financing activities			
Proceeds from issues of ordinary shares		1,946,121	6,965,320
Capital raising costs		(130,553)	(360,766)
Proceeds from borrowings		2,335,490	1,150,000
Repayment of borrowings		(1,864,445)	(1,616,101)
NET CASH PROVIDED BY FINANCING ACTIVITIES		2,286,613	6,138,453
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(908,499)	187,935
Foreign exchange differences on cash holdings			15
Cash and cash equivalents at beginning of year		1,514,246	1,326,296
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		605,747	1,514,246

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 1: BASIS OF PREPARATION

This preliminary final report for Vivid Technology Limited and its controlled entities ("the Company or Group") has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary final report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the last annual report issued for the year ended 30 June 2017, the half year report for the period ended 31 December 2017 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporation Act 2001. The full annual report for the year ended 30 June 2018 is expected to be available on or before 30 September 2018.

This preliminary financial report has been prepared in accordance with International Financial Reporting Standards (IFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001

Going Concern

The Directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a net loss for the year of $5,395,230 (2017: $5,459,242). The Company's current ratio, which considers the current total assets of the Company relative to the Company's current total liabilities showed a deficiency of $1,935,842 (2017: surplus $1,658,705).

Notwithstanding, the Directors have concluded that the going concern basis is appropriate, based on analysis of the Company’s internal cash flow forecasts which include expected future cash flows over the next 12 months. These forecasts contain certain assumptions in relation to the short term development of the business, including the expected future revenue and profitability of its energy efficiency segment, and are based on currently available information including management assessments of probable future orders and other information.

The cash flow forecast assumes that planned capital funding initiatives are successfully completed as planned. The Directors are of the opinion that the Company is capable of achieving the planned initiatives to be able to meet its cash flow requirements over the next 12 months.

The Company is significantly progressed in several initiatives to bolster the capital of the Company including advanced discussion with several sophisticated parties for direct equity raising initiatives.

As a first step, on the 31st of July 2018, the Company entered into a $1.5 million fully drawn convertible loan facility. The new loan facility provides the Company with added flexibility to deal with its finances and has been utilised to repay the existing Trade Finance Facility with Moneytech which at balance date was $460,635. The remainder of the facility is to be utilised as working capital to support the growth of the business.

If the Company is unable to secure required funding to trade as forecast or the actual outcomes differ significantly from the assumptions used, the Company may need to take measures to conserve and secure cash flow. Such measures may include adjusting its operating capital requirements and costs, raising additional capital, and other funding initiatives such as expanding revenue streams and commercialisation of other energy efficiency technologies.

NOTE 1: BASIS OF PREPARATION (Cont'd)

Going Concern (Cont'd)

The financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the consolidated entity be unable to trade as forecast or to secure sufficient funding to continue as a going concern. If the going concern basis of accounting is found to no longer be appropriate, the recoverable amount of the assets shown in the Consolidated Statement of Financial Position are likely to be significantly less than the amounts disclosed and the extent of liabilities may differ significantly from those reflected.

NOTE 2: REVENUE AND OTHER INCOME

Revenue and other income from continuing operations

	Notes	2018 $	2017 $
(a) Sales revenue			
Sales of goods and rendering of associated services		7,259,322	2,271,521
(b) Other income			
Interest		148,339	71,067
Rental income		4,364	4,400
Research and development tax concession rebate		624,787	627,086
Net foreign exchange gain / (loss)		(13,925)	13,760
Gain on sale of investments		-	18,655
Doubtful debts recovered		-	6,853
Other income		216,761	596,148
		980,326	1,337,969
(c) Income in advance			
Sales revenue in advance		1,309,708	573,618

Sales revenue received in advance relates to customers prepaying contract revenues fully in advance of work due to be completed. Income that is received in advance is a liability as the company has not yet earned it and it has an obligation (a liability) to deliver the related goods or services in the future.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

NOTE 3: LOSS FROM CONTINUING OPERATIONS

Loss from continuing operations before income tax has been determined after the following specific expenses:

	Notes	2018 $	2017 $
Employee benefits expense			
Share-based payments expense		48,789	281,021
Directors' fees		234,999	258,943
Superannuation guarantee contributions		339,160	305,999
Other employee benefits		3,571,254	3,117,953
		4,194,202	3,963,916
Depreciation and amortisation of non-current assets			
Plant and equipment		41,835	37,456
Office equipment		1,049	1,137
Computer equipment		15,440	16,759
Leasehold improvements		2,151	3,021
Software licences		28,296	10,511
		88,771	68,884
Impairment expense			
Impairment of trade receivables		-	82,859
		-	82,859
Finance costs expensed			
Interest and other finance costs on loans and finance leases		78,395	115,941
Administrative expenses			
Travel and accommodation		464,164	451,443
Share registry costs		97,378	155,251
Legal fees		215,555	76,314
Insurance premiums		132,087	112,166
General and office expenses		927,766	682,223
		1,836,950	1,477,397
Other expenses			
Writedowns of inventory to net realisable value		111,699	99,584
Product research		263,739	287,549
Warranty expenses		70,809	44,178
		446,247	431,311

NOTE 4: SEGMENT INFORMATION

(a) Description of segments

The group has three reportable segments. A brief description of each identified segment is detailed below. Corporate head office and administration costs are not allocated to segments. Segments include operations or projects that the group holds, or is interested in, which operate in different geographical settings. Operations for each segment are based primarily in Australia unless otherwise noted.

Segment 1: Energy Efficiency
Vivid Technology Limited via its subsidiaries provides intelligent and energy efficient lighting solutions to industrial and commercial businesses in Australia and the Pacific Rim. The primary route to market for this segment is via Vivid Industrial Pty Ltd and Ilum-a-lite Pty Ltd ("Vivid Ilumalite"), wholly-owned subsidiaries of the group.

Segment 2: Technology Investment
This segment includes technology investments or projects, which Vivid Technology Limited has either invested in but have not been fully expanded into a distinct business segment, or technologies or project that are currently being considered. This segment includes the consolidated entity's investment in NCF Global Pty Ltd.

Segment 3: Other Investments
The segment "other investments" includes the company's geothermal interests (including GEP 10 in the Otway Basin, as well as GEP 12 and GEP 13 in the Gippsland Basin). Included in this segment's assets is capitalised exploration and evaluation expenditure in relation to those areas of interest, which currently has a carrying amount of nil. The company's core focus no longer includes geothermal activities.

NOTE 4: SEGMENT INFORMATION (continued)

(b) Segment information

2018	Energy Efficiency	Technology Investment	Other Investments	Total
	$	$	$	$
Segment revenue				
Total segment revenue *(1)*	7,270,494	202,589	-	7,473,083
Inter-segment revenue	-	-	-	-
SEGMENT REVENUE FROM EXTERNAL SOURCE	**7,270,494**	**202,589**	-	**7,473,083**
Segment result				
Total segment result	(4,060,437)	(808,279)	-	(4,868,717)
Inter-segment eliminations	-	-	-	-
SEGMENT RESULT FROM EXTERNAL SOURCE	**(4,060,437)**	**(808,279)**	-	**(4,868,717)**
Items included within segment result:				
Share of net loss of associates	-	434,388	-	434,388
Impairment expense	-	-	-	-
TOTAL SEGMENT ASSETS	**4,567,494**	**2,307,903**	-	**6,875,397**
Total segment assets include:				
Investment in equity accounted associates	-	1,137,797	-	1,137,797
Additions to non-current assets other than financial instruments and deferred tax assets	103,540	-	-	103,540
TOTAL SEGMENT LIABILITIES	**4,155,978**	**15,755**	**15,000**	**4,186,733**

(1) in the current and comparative period, other revenue in the form of Research & Development tax refunds has been segregated from the Energy Efficiency Segment. This is to reflect that the refund is not income from customers.

NOTE 4: SEGMENT INFORMATION (continued)

(b) Segment information (continued)

2017	Energy Efficiency	Technology Investment	Other Investments	Total
	$	$	$	$
Segment revenue				
Total segment revenue *(1)*	2,334,837	534,140	-	2,868,977
Inter-segment revenue	-	-	-	-
SEGMENT REVENUE FROM EXTERNAL SOURCE	**2,334,837**	**534,140**	**-**	**2,868,977**
Segment result				
Total segment result	(4,527,733)	(116,369)	-	(4,644,102)
Inter-segment eliminations	-	-	-	-
SEGMENT RESULT FROM EXTERNAL SOURCE	**(4,527,733)**	**(116,369)**	**-**	**(4,644,102)**
Items included within segment result:				
Share of net loss of associates	-	353,689	-	353,689
Impairment expense	82,859	-	-	82,859
TOTAL SEGMENT ASSETS	**4,774,470**	**2,219,575**	**-**	**6,994,045**
Total segment assets include:				
Investment in equity accounted associates	-	1,572,185	-	1,572,185
Additions to non-current assets other than financial instruments and deferred tax assets	129,866	-	-	129,866
TOTAL SEGMENT LIABILITIES	**1,728,259**	**10,924**	**15,000**	**1,754,183**

(1) in the current and comparative period, other revenue in the form of Research & Development tax refunds has been segregated from the Energy Efficiency Segment. This is to reflect that the refund is not income from customers.

	Notes	2018 $	2017 $

NOTE 4: SEGMENT INFORMATION (continued)

(b) Segment information (continued)

(i) Reconciliation of segment revenue to the consolidated statement of comprehensive income

	2018 $	2017 $
Segment revenue from external source	7,473,083	2,868,977
Other revenue *(1)*	632,151	637,031
Interest revenue	148,339	71,067
Gain on fair value of investments	-	18,655
Net foreign exchange gain / (loss)	(13,925)	13,760
Total revenue	8,239,648	3,609,490

(1) in the current and comparative period, other revenue in the form of Research & Development tax refunds has been segregated from the Energy Efficiency Segment. This is to reflect that the refund is not income from customers.

(ii) Reconciliation of segment result to the consolidated statement of comprehensive income

	2018 $	2017 $
Segment result from external source	(4,868,717)	(4,644,102)
Interest revenue	148,339	71,067
Net foreign exchange gain/ (loss)	(13,925)	13,760
Gain/(loss) on fair value of investments	-	18,655
Depreciation and amortisation	(88,771)	(68,884)
Interest and other finance costs	(78,395)	(115,941)
Unallocated other income	632,151	637,031
Unallocated expenses	(1,125,912)	(1,370,828)
Total loss from continuing operations before income tax	(5,395,230)	(5,459,242)

(iii) Reconciliation of segment assets to the consolidated statement of financial position

	2018 $	2017 $
Segment assets	6,875,397	6,994,045
Cash and cash equivalents	605,747	1,514,246
Unallocated assets	303,362	204,277
Total assets	7,784,506	8,712,568

(iv) Reconciliation of segment liabilities to the consolidated statement of financial position

	2018 $	2017 $
Segment liabilities	4,186,733	1,754,183
Unallocated liabilities	1,152,563	987,871
Total liabilities	5,339,296	2,742,054

NOTE 5: SUBSEQUENT EVENTS

Subsequent to the end of the financial year, on the 31st July 2018 the company entered into a convertible loan facility. The new loan facility provides the Company with added flexibility to deal with its finances and will be utilised to repay existing Trade Finance Facility with Moneytech which at balance date was $460,635. The remainder of the facility is to be utilised as working capital to support the growth of the business. The facility is for $1,500,000 with the opportunity to increase with mutual consent.