



ASX ANNOUNCEMENT, 24th October 2018

APPENDIX 4C

QUARTERLY CASH FLOW REPORT

HIGHLIGHTS

- **\$1.05m Customer Cash receipts Q1'19 (\$0.92m Q1'18)**
- **\$2.75m Received in proceeds from issue of Convertible Loans in the Quarter**
- **Repayment of the Moneytech trade finance facility**
- **Net Cash inflows for the Quarter of \$0.44m**

Vivid Technology Limited (ASX: VIV) Vivid Technology Limited (ASX: VIV) attaches its Appendix 4C (cash flow report) for the quarter ended 30 September 2018.

On the back of a 220% year on year growth of revenue in the 2018 financial year, Vivid Technology commenced the 2019 year with strong order book growth of over \$2.2m of new orders closed in the first quarter.

From a cashflow reporting perspective, as outlined in prior quarterlies, the Company continues to see seasonality impacting Customer cash receipts, which were lower this quarter compared to the \$2.9 million received in the prior quarter from the successful conversion of the strong order book reported throughout FY18. Customer receipts in the current quarter were additionally impacted by late paying customers at 30 September 2018, seeing >\$0.4m of receipts being recorded in the first week of October 2018 to be reflected in 2Q'19 reporting. In addition to these late receipts, the Company also expects to receive a research and development rebate in 2Q'19.

As previously reported, the quarter saw a strong focus on enhancing the Company's working capital capacity to support the continuing growth in its business across LaaS product offerings and customer take-up, noting that this capital requirement is directly related to sales orders received. To this end, the Company completed the execution of two tranches of convertible loans to current shareholders (sophisticated lenders).

Total commitments under the two successfully completed convertible loan transactions was \$2.8m with \$2.75m being received as at 30 September with the balance of \$0.05m received in early October. The commitments received under the loans offer from a core group of existing investors demonstrated the success the Company achieved in the FY18 year in revenue and sale order growth attributable to the progressive realisation of the business strategic growth plan.

The new funding arrangement enabled the Company to fully repay the Moneytech trade finance facility during the period. The Moneytech facility was deemed not to be of suitable capacity to meet the business near term growth requirements and did not allow the flexibility for expansion of the business core strategic growth plans.

Vivid Technology strong order book momentum of over \$2.2m of new orders closed, will generate customer receipts over the coming quarters in addition to sales orders closed in the prior financial year that are in progress of being installed. These orders were won across a combination of both new customers and existing repeat customers across the Healthcare, Beverage and Logistic market segments.

Further to developing LaaS and the Origin LightingFlex (ASX Announcement 11 July 2018) product offerings, the Company is also assessing the commercial viability of establishing a separately funded operating vehicle to take the core LaaS hardware (and other associated) costs off balance sheet. This will negate the impact of these costs on the Vivid balance sheet whilst still maintaining a longer-term annuity income stream for the Company.

Samuel Marks, Managing Director of Vivid Technology noted that *“Vivid Technology continues to build on the momentum experienced over the last financial year. The Company has entered a growth stage with customer traction and uptake and our focus is to ensure this is sustainable over many years to come. There continues to be, a significant effort by the team to develop solid foundations for this growth, including developing strong partnerships with our customers, establishing the right capital base and looking to ensure we continue to deliver unique and tangible efficiency savings for them”.*

– ENDS –



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About Vivid Technology

Vivid Technology Limited is a [B Corp™](#) certified, diversified, innovative Australian clean technology Company that delivers intelligent energy efficiency solutions and carbon reduction through IoT and CO₂-to-fuel conversion technologies.

Vivid Technology has a range of patented clean tech solutions, including innovative and intelligent IoT Industry 4.0 MATRIXX® lighting platform. Vivid's MATRIXX® unique intelligent lighting control system combines a state of the art, human centric lighting system with unrivalled energy efficiency, reducing lighting energy costs by up to 90%. Delivering exceptionally high energy efficiency savings and carbon reductions, MATRIXX® captures and converts smart data to provide site intelligence for industrial and infrastructure sectors. Vivid's technology is easily installed and provides businesses the infrastructure for an IoT and industry 4.0 future. Vivid Technology is full turn key solutions partner.

Vivid Technology Limited is a [B Corp™](#) certified Company, which highlights the Company's approach to driving business solutions with a strong corporate social responsibility.

Vivid Technology - 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 industrial and infrastructure clients. The "internet of lights" and "cloud based monitoring" delivers quantifiable efficiencies and significant cost savings with environmentally sustainable benefits for businesses. Going beyond engineered design and installation, Vivid Industrial is a turnkey solutions business partner, offering solutions to suit custom lighting, cost and energy efficiency needs. Vivid Industrial is your complete intelligent lighting solutions partner with a base of blue chip, industrial companies.

Vivid Industrial - www.vividindustrial.com

About Vivid Ilumalite

Vivid Ilumalite specialising in creating highly effective, energy-saving and human centric LED lighting solutions, for commercial and government clients, that generate significant cost savings and reduce environmental impact. Ilumalite, has a reputation as a highly regarded and valued turnkey solutions partner who delivers exceptional tailored lighting results.

Vivid Ilumalite - www.vividilumalite.com

About NewCO2Fuels

NewCO2Fuels is a subsidiary of Vivid Technology. NewCO2Fuels' cutting-edge technology profitably converts CO₂ into multi-purpose fuels (Diesel, Methanol or Hydrogen) and Oxygen.

NewCO2Fuels – www.newco2fuels.co.il



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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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,052	1,052
1.2 Payments for		
(a) research and development	(33)	(33)
(b) product manufacturing and operating costs	(1,379)	(1,379)
(c) advertising and marketing	(5)	(5)
(d) leased assets	-	-
(e) staff costs	(1,060)	(1,060)
(f) administration and corporate costs	(359)	(359)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(10)	(10)
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	(1,793)	(1,793)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) businesses (see item 10)	-	-
(c) investments	(54)	(54)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	54	54
(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	(3)	(3)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	2,750	2,750
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	152	152
3.6 Repayment of borrowings	(662)	(662)
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	2,240	2,240

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	604	604
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,793)	(1,793)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,240	2,240

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,048	1,048

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	1,048	604
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)	1,048	604

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**

129

-

Directors' salaries (executive) \$84,954
Directors' fees (non-executive) \$43,629

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
2,750	2,750
-	-
-	-

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.

During the quarter ended 30 September 2018, Vivid Technology announced that it completed the execution of two tranches of convertible loans to current shareholders (sophisticated lenders). Total commitments under the two successfully completed convertible loan transactions was \$2.8m with \$2.75m being drawdown as at 30 September with the balance of \$0.05m received in early October.

Tranche 1:

Lender	Evercharge Pty Ltd
Borrower	Vivid Technology Limited
Purpose	To fund the Company's working capital requirements, Lighting-as-a-Service products and to repay the Moneytech facility.
Drawdown Amount	The loan amount is \$1,500,000.
Drawdown Cap	The Commitment Amount is capped at an amount equal to 75% of the sum of receivables plus relevant inventory
Repayment Date	31 July 2020
Conversion	The Lender may convert the Loan into Shares (in whole or in part) at anytime prior to the Repayment Date.
Conversion Price	The conversion price is the lesser of: (a) \$0.125; or (b) the greater of: (i) the volume weighted average price (VWAP) of Shares over a period of twenty (20) days prior to and including the conversion date less a discount of 15% and rounded to the nearest 1/10th of a cent; or (ii) the floor price of \$0.05
Facility Fee	1 % per annum of the undrawn Commitment Amount.
Interest Rate	10% per annum
Security	The Company and each Guarantor have entered into a general security deed on customary terms to grant a security interest in favour of the Lender over their undertakings and assets.

Tranche 2:

Lenders	Various Sophisticated Investors
Borrower	Vivid Technology Limited
Purpose	To fund the Company's working capital requirements.
Drawdown Amount	The loan amount is \$1,300,000.
Repayment Date	24 months from the date of drawdown.
Conversion	The Lenders may convert the Loan into Shares (in whole or in part) at anytime prior to the Repayment Date.
Conversion Price	Conversion price is the lesser of: (a) \$0.125; or (b) the greater of: (i) the VWAP over a period of twenty (20) days prior to and including the conversion date less a discount of 15% and rounded to the nearest 1/10th of a cent; or (ii) the floor price of \$0.05

Interest Rate	11.00% per annum.
Security	The loan is unsecured.

The new funding arrangement enabled the company to fully repay the Moneytech trade finance facility during the period. The total amount paid out to settle the Moneytech facility was \$0.5m.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	50
9.2 Product manufacturing and operating costs	1,204
9.3 Advertising and marketing	8
9.4 Leased assets	-
9.5 Staff costs	1,034
9.6 Administration and corporate costs	354
9.7 Other (provide details if material)	45
9.8 Total estimated cash outflows	2,695

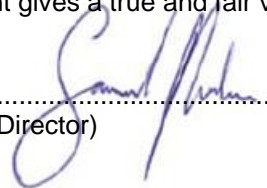
* The company is an operating business that generates cash inflows each quarter, including receipts from customers. Estimated cash outflows are based on certain assumptions including the level of estimated inflows. The above summary of estimated cash outflows does not reflect the anticipated net cash 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: 24 October 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.