



ASX ANNOUNCEMENT, 31st July 2018

APPENDIX 4C

QUARTERLY CASH FLOW REPORT

HIGHLIGHTS

- **\$2.9m Customer Cash receipts 4Q18 (206% above 4Q17 prior-comparable-period (pcp))**
- **FY18 total customer cash receipts a record \$9.5m (FY17 \$4.7m)**
- **Strong growth in new sales orders for FY18 year of \$9.3m**

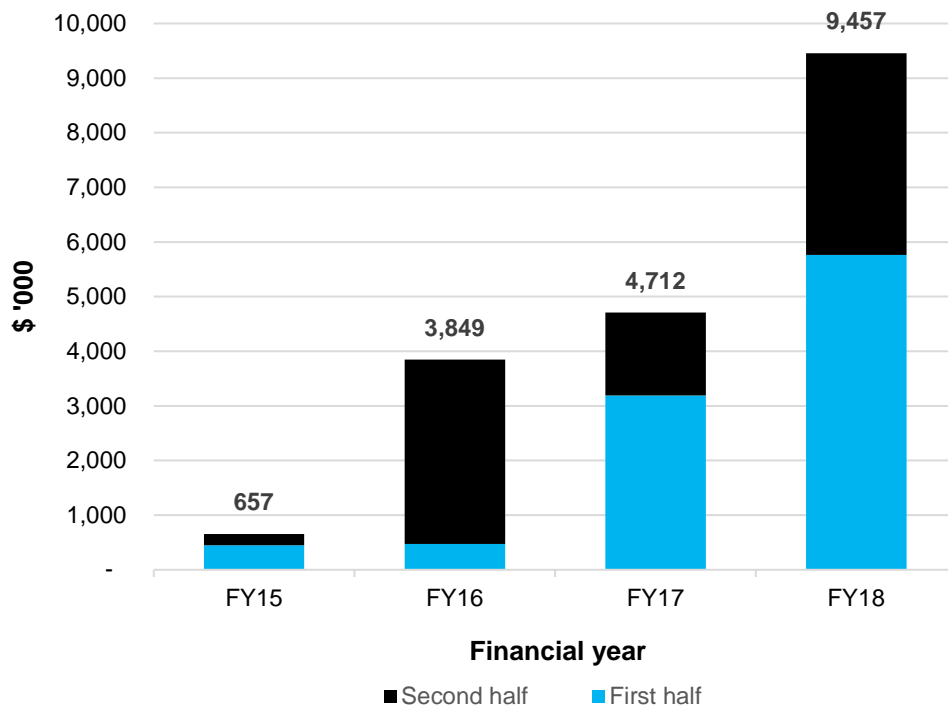
Vivid Technology Limited (ASX: VIV) Vivid Technology Limited (ASX: VIV) attaches its Appendix 4C (cash flow report) for the quarter ended 30 June 2018.

Customer cash receipts of \$2.9 million across the quarter (+206% pcp) contributed to a record \$9.5m (+101% pcp) of customer cash receipts in FY18, the highest since inception. This increase in cash receipts reflected the successful conversion of the strong order book reported throughout FY18 and represents strong impetus quarter on quarter which provides a solid platform of momentum running into the start of FY19.

Total cash receipts for the year were \$10.2m which includes \$625k of refundable tax offset rebate (R&D Tax Rebate) related to our continued investment and ongoing development of our current and future range of products.

It is worth noting that while Vivid Technology had a strong result, cash receipts in the quarter were also negatively impacted by both late paying customers at 30 June 2018, along with bringing on-line the new Lighting-as-a-Service (**LaaS**) contracts. LaaS contracts will see cash receipts recognised over the life of a contract, as opposed to capital-based project payments for design, fit-out and installation work which are paid at the completion of an installation. Both these impacts contributed to a Net Operating Cash outflow of \$568k for the quarter. The delayed cash receipts were received early in July 2018 and will be recognised in the September quarter. The LaaS revenue provides for an ongoing annuity income stream over future years with cash receipts being received monthly throughout this period.

Cash Receipts from Customers



The company ended the FY18 year with a cumulative \$9.3m growth in its order book, reflecting the sales activity undertaken across the last twelve months. While this order value will reset at the start of the new financial year, the company is seeing good sales activity for the start of the new financial year.

At 30 June 2018, Vivid Technology had over 1.3 million meters² of client area under light, up from 562,533m² area under light as first reported in October 2017, as the order book was converted and installed.

The quarter saw a strong focus on enhancing the company's working capital capacity to support the continuing growth in its LaaS product offering, noting that this capital requirement is directly related to sales orders received. To this end, the company recently signed a new financing arrangement with Evercharge Pty Ltd as detailed in a following announcement. This new facility will provide greater working capital flexibility to manage the variability in capital requirements.

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.



Businesses of
Tomorrow 2017 WINNER



NATIONAL
ENERGY EFFICIENCY
AWARDS 2017
WINNER



PARTNER
FOR GROWTH
IMAGINE THE POSSIBILITIES

Our technology investment in NewCO2Fuels saw several key milestones achieved during the quarter, including progress from a proven concept to being secured for commercialisation by China's Sinopec Engineering (Group) Co Ltd (SEG 2386:HK), the world's largest petrochemical enterprise group. Sinopec is number 3, Fortune 500 company with a market cap of ~\$AUD 145 billion. NCF also appointed Blooming (Beijing) Technology Co Ltd as its Sales & Marketing agent in China. Blooming is widely recognised in the petroleum and petrochemical industry with a main focus on the development of new technology applications and research and development for this industry segment. NCF continues to focus on progressing the next stage of the commercialisation process, which will be represented by an investment into NewCO2fuels by a party outside of its current shareholder base who can provide the required strategic investment to take the technology through to commercialisation with SEG in China.

Samuel Marks, Managing Director of Vivid Technology noted that *"Our results this quarter again signify our commitment as a management team to building a business based on growing global demand for our world leading, award-winning products and blue-chip customers property portfolios. Our FY18 customer cash receipts of \$9.5 million are the best the company has had to date and reflects the successful execution of our Corporate Strategic plan, which is directly aimed at scale-up, expansion and continued growth."*

"Our growth in order book has continued to produce larger contract values compared to a year ago, reflecting continuing success with both existing and new customers. While many of these orders are still project based, and hence can result in timing differences relating to when the order was taken to finally delivered (ie. recognised as revenue and cash received), the traction of our LaaS service model is developing and will in due course normalise these timing issues."

"We continue to develop disruptive technologies in the lighting and industrial data capture sectors, whilst concurrently evolving a way in which these systems can be acquired by customers outside of the industry norm of capital funded purchases of commodity products. In delivering lighting as an "outcome-based-service", we partner with our customers to be jointly incentivised to maximise efficiency gains over a multi-term period and share in the benefits."

"Furthermore, our investment in NewCO2Fuels continues to progress well, with discussions with potential investors well underway post the successful signing of NCFs commercialisation agreement with Sinopec Engineering in April this year."

"We look forward to updating shareholders and investors on the continuing successful scale-up activities of Vivid Technology over the new financial year and thank you for your ongoing support."

– ENDS –



Businesses of
Tomorrow 2017 WINNER



NATIONAL
ENERGY EFFICIENCY
AWARDS 2017
WINNER



PARTNER
FOR GROWTH
IMAGINE THE POSSIBILITIES

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



Businesses of
Tomorrow 2017 WINNER



NATIONAL
ENERGY EFFICIENCY
AWARDS 2017
WINNER



PARTNER
FOR GROWTH
IMAGINE THE POSSIBILITIES

For Further Information Contact

Raphael Fiorini

Chief Commercial Officer
Vivid Technology LTD
T: +61 3 8625 0500 | M: +61 405 316 706
E: Raphael.Fiorini@Vividtechnology.com.au

Nadya Krienke-Becker

Chief Marketing Officer
Vivid Technology LTD
T: +61 3 8625 0500 | M: +61 414 672 863
E: Nadya.KrienkeBecker@Vividtechnology.com.au

Media Toolkit

Free to use company images, photos and logos for articles and publications
[Vivid Technology Media Toolkit](#)



Businesses of
Tomorrow 2017 WINNER



NATIONAL
ENERGY EFFICIENCY
AWARDS 2017
WINNER



PARTNER
FOR GROWTH
IMAGINE THE POSSIBILITIES

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 June 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	2,942	9,457
1.2 Payments for		
(a) research and development	(82)	(225)
(b) product manufacturing and operating costs	(2,026)	(6,674)
(c) advertising and marketing	(14)	(29)
(d) leased assets	-	-
(e) staff costs	(954)	(3,899)
(f) administration and corporate costs	(422)	(1,828)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	7
1.5 Interest and other costs of finance paid	(14)	(41)
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	(568)	(2,607)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(19)
(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	(12)	(407)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(18)	(426)

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	882	2,268
3.6	Repayment of borrowings	(900)	(1,857)
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	(18)	(2,123)

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	1,208	1,514
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(568)	(2,607)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(426)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18)	2,123

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	604	604

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	604	1,208
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)	604	1,208

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**

94

Directors' salaries (executive) \$40,038
Directors' fees (non-executive) \$54,286

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**

-

12

Loans advanced to NCF Global Pty Ltd \$11,985

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 (please specify)	500	461
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. As at the time of issuing this 4C, Vivid Technology has entered into a new financing facility with Evercharge Pty Ltd which will replace the Moneytech facility in August 2018 and provide additional working capital funding under a revolving debt facility, backed by a convertible loan. The Evercharge Pty Ltd facility is for an amount of up to \$1,500,000 with an interest rate of 10% pa and a facility fee of 1% p.a on undrawn amounts. (Further disclosure is attached in a subsequent announcement today, 31 July 2018).

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	183
9.2 Product manufacturing and operating costs	1,580
9.3 Advertising and marketing	25
9.4 Leased assets	-
9.5 Staff costs	1,189
9.6 Administration and corporate costs	362
9.7 Other (provide details if material)	546
9.8 Total estimated cash outflows	3,885

* 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). Section 9.7 relates to the outflows of the MoneyTech financing facility as identified in 8.4 above. Section 3.5 and 3.6 of this report show the prior quarters inflows and outflows as expected for a revolving debt facility of this nature.

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: 31 July 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.