



ASX ANNOUNCEMENT - 26th April 2019

Vivid Technology Ltd (VIV) – Funding Update

Vivid Technology Limited (ASX: VIV) (Vivid Technology or the Company)

On 21 March 2019, the Company requested a trading halt in its securities pending an announcement by the Company in relation to a proposed equity raising. Commitments under the proposed equity raising did not meet the minimum subscription amount set by the Directors and as such the Company undertook to examine alternative funding proposals.

The Company is pleased to announce that it has received commitments of \$1.2 million from various sophisticated investor lenders under a secured convertible loan facility. The Directors have approved receiving commitments under this facility to a total value of \$1.63 million which falls with the Company's existing placement capacity under ASX Listing Rule 7.1.

As at the date of this announcement, the Company has received \$0.575 million from investors with the balance of commitments due to be received by 31 May 2019.

The funds raised from the convertible loan will provide interim funding whilst the Company assesses opportunities to support its longer-term funding needs. As part of this interim funding initiative, the Board is currently assessing options to structure the business for the future. This assessment includes a full review of the business operating structure, operating costs and avenues to growth and expansion of the sales pipeline.

The Company remains focused on building its ability to continue to successfully develop its unique technology capabilities and service its blue-chip customer base.

On 15 April 2019, the Company requested a continuance of the trading suspension until the earlier of the commencement of trading on Monday, 27 May 2019 or the time when an updated announcement is released to the market. This suspension request will remain in place as the Company continues to progress its plans.

The secured convertible loan has the following key terms:

Lenders	Various sophisticated investors
Borrower	Vivid Technology Limited
Purpose	The Loan funds are for working capital purposes to support the Borrower through a period of corporate restructure.
Commitment Amounts	The total loan amount committed from the Lenders is \$1.2 million. The Board has approved extending the facility to a maximum limit of \$1.63 million.
Conditions Precedent	There are no conditions precedent for drawdown of the loan facility.

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Repayment Date	24 months from drawdown date.
Conversion	The Lenders may convert the Loan into shares in Vivid Technology. The conversion ratio is the outstanding loan amount (including unpaid interest) divided by the Conversion Price.
Conversion Price	The higher of: <ul style="list-style-type: none"> (a) the issue price for a Qualifying Capital Raise, being a capital raising of shares or share-related securities by the Borrower of at least \$5,000,000 in a single or a series of connected raisings; or (b) the floor price of \$0.02.
Conversion Adjustment	Subject to ASX Listing Rules, if the value of the Conversion Shares to be issued to the Lender on the conversion of the Loan is adversely affected by the Borrower undergoing certain events including capital restructuring events, then: <ul style="list-style-type: none"> (a) the Lenders may appoint an independent valuer to make an adjustment to the number of Conversion Shares issued to the Lenders on conversion of the Loan; (b) amongst other things, the independent valuer must have regard to the impact of the Adverse Event on the value of the Conversion Shares; and (c) any adjustment made under this clause is intended to operate for the benefit of the Lenders.
Interest Rate	10.00% per annum with interest deferred to 30 September 2019.
Guarantors	Vivid Industrial Pty Ltd LED Distribution Network Pty Ltd Illum-a-Lite Pty Ltd and other subsidiaries of the Company
Early Repayment	Vivid Technology may make an early repayment prior to the Repayment Date if all the Lenders accrued interest and all other moneys owing, inclusive of any early repayment interest, are paid.
Security	The Company and each Guarantor have entered into a general security deed on standard terms to grant a security interest in favour of the Lenders over their undertakings and assets.

CONTINUED PIPELINE OPPORTUNITY

As recently announced, the Company's pipeline of forward projects continues to grow. The Company continues to develop and manage its current pipeline of highly qualified opportunities, from a range of current and new customers across a range of market segments including FMCG, Aged Care and the Logistic markets. These orders are expected to be realised over the next six months as customers look to firm up installation dates for their lighting upgrades.



NEW DEVELOPMENTS

In addition to the successful completion of these near-term opportunities, the Company is in discussions with several global partners across the general agribusiness and more specifically the medical cannabis market segments.

Vivid Technology is now actively developing a jointly patented proprietary horticulture lighting system based on its world class MATRIXX® technology, adapted and patented to substantially reduce agricultural lighting energy costs via intelligent lighting control and Klarity® analytics reporting systems, optimised specifically for the Agri / Horticulture market segment. This new patented technology will deliver significant energy efficiency, substantially reducing both lighting operating costs and energy consumption, and providing customers with a sustainable strategic competitive advantage.

Vivid Technology's new national distribution agreement with MIDDY's continues to provide the Company with a complementary revenue stream, independent of the normal traditional direct selling model. With over 90 branches across Australia, the distribution agreement will see MIDDY's warehouse and distribute the new range of Vivid Technology's products to its various customers throughout Australia. The initial roll out of product to selected stores (inclusive of training) is scheduled to complete by June 2019.

The ability to successfully leverage this new distribution channel is due to extensive product development designed to provide a greater range of compelling and cost competitive products, to target a far larger share of current customer portfolios and requirements.

The current flagship MATRIXX Genesis product is now supported by MATRIXX Array and MATRIXX Synergy which provide for lower priced entry points with scaled down functionality. These new offers also provide a customer with a scalable and upgradeable path for the future.

In addition, the Company also launched a new range of products aimed at the "One-for-One" replacement market. The new 'KoolLED' range provides a base entry solution compared with the Company's MATRIXX Genesis intelligent lighting range but continues to represent a "best in class" replacement product, leveraging Vivid Technology's expertise in lighting design, all at a competitive price point. The KoolLED range also provides customers with an upgradeable retrofit path option, to an intelligent MATTRIX Array or MATRIXX Synergy platform if required at a later stage.

NCF

Vivid Technology's investment in NewCO2Fuels (effective 33.3% ownership interest) continues to focus on commercialisation including awaiting the outcome of the completion of due diligence with a new global conglomerate, based out of Asia, with interests across the steel and manufacturing sectors.

The Company continues to focus on creating a liquidity event through a potential investment with Asian investors into NCF.

– ENDS –



About Vivid Technology

Vivid Technology Limited is a multi-award winning, 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 MATRIX[®] lighting platform. Vivid's MATRIX[®] 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, MATRIX[®] 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 and EcoVadis Silver Accredited company, which highlights the Company's approach to driving business solutions with a strong corporate social responsibility.

Vivid Technology - www.vividtechnology.com.au

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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