

ASX Announcement | 6 June 2019
Visioneering Technologies (ASX:VTI)

Notice given under Section 708AA(2)(f) of the Corporations Act

Atlanta, Georgia, USA 6 June 2019: US-based medical device company and producer of the NaturalVue® (etafilcon A) Multifocal 1 Day Contact Lenses **Visioneering Technologies, Inc (ASX: VTI), (Visioneering or Company)**, gives this notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Class Order 14/827).

Visioneering has announced today that it is undertaking a capital raising transaction to raise up to approximately A\$11.1 million through:

- the issue of 22,222,222 CHESS Depositary Interests (**CDIs**) in the Company (representing 22,222,222 shares of Class A common stock) to TIGA Trading Pty Ltd and Thorney Technologies Limited (**Thorney**), at A\$0.045 per CDI to raise A\$1 million (before costs and expenses) (**Placement**);
- a fully underwritten, 9 for 19 non-renounceable entitlement offer of approximately 128,293,350 new CDIs (representing 128,293,350 new fully paid shares of Class A common stock) at the same price of A\$0.045 to raise approximately A\$5.8 million (**Rights Offering**); and
- the issue of secured convertible notes with the principal amount of between approximately A\$3 million (US\$2.3 million) to A\$4.3 million (US\$3 million) to Thorney or its affiliates (**Convertible Note Issue**). The Convertible Note Issue is subject to the approval of the Company's stockholders pursuant to Listing Rule 7.1.

Rights Offering Background

Under the Rights Offering, eligible holders of CDIs with registered addresses in Australia and New Zealand (**Eligible Holders**), will be invited to subscribe for 9 New CDIs for every 19 CDIs in Visioneering held by Eligible Holders as at 7.00pm (AEST) on Wednesday, 12 June 2019 at an issue price of \$0.045 per New CDI.

The Rights Offering is fully underwritten by Canaccord Genuity (Australia) Limited (**Lead Manager**).

If an Eligible Holder chooses not to take up their pro rata entitlement, their percentage holding in VTI will be diluted to the extent that the Rights Offering is taken up by other Eligible Holders, the Underwriter and sub-underwriter. Any shortfall under the Rights Offering will be allocated to the Lead Manager and the sub-underwriter (discussed below).

Eligible Holders will be sent further details about the Rights Offering in an Offer Booklet.

Section 708AA(7) of the Corporations Act

For the purposes of section 708AA(7) of the Corporations Act, the Company advises that:

- 1 the New CDIs will be offered for issue under the Rights Offering without disclosure to investors under part 6D.2 of the Corporations Act;
- 2 this notice is being given by Visioneering under section 708AA(2)(f) of the Corporations Act as notionally modified by ASIC;
- 3 as at the date of this notice Visioneering has complied with:
 - (i) section 601CK of the Corporations Act; and
 - (ii) section 674 of the Corporations Act;
- 4 as at the date of this notice there is no excluded information (as defined in section 708AA(8) and 708AA(9) of the Corporations Act as notionally modified by ASIC) which is required to be disclosed by the Company; and
- 5 the potential effect that the issue of New CDIs under the Rights Offering and the Placement will have on the control of Visioneering and the implications of that effect are provided below.

Effect on Control

Thorney and Regal Funds Management Pty Ltd (**Regal**) have each committed to take up their pro rata entitlement under the Rights Offering and Regal has also agreed to fully sub-underwrite the remainder of the Rights Offering. If all Eligible Holders participate in the Rights Offering, VTI does not anticipate that the Rights Offering will have any material effect on the control of VTI.

However, given that:

- Thorney is acquiring CDIs under the Placement and those CDIs will be eligible to participate in the Rights Offering;
- both Thorney and Regal have committed to take up their respective pro rata entitlements under the Rights Offering; and
- Regal has agreed to sub-underwrite the remainder of the Rights Offering,

the percentage holdings of Thorney and Regal in VTI are both expected to increase. Furthermore, Thorney has agreed to acquire Convertible Notes under the Convertible Note Issue which may convert into CDIs in the future, thereby further increasing Thorney's percentage holding.

On completion of the Placement and Entitlement Offer, it is expected that:

- Thorney will own no less than 10.6% of the issued CDIs; and
- Regal will own no less than 18.2% and no more than 35.0% of the issued CDIs. The exact number of CDIs that will be issued to Regal will depend on the extent to which Eligible Holders take up their entitlement.

Effect on Ownership

The issue of CDIs under the Placement will have the effect of diluting the percentage holdings of stockholders and CDI holders in VTI. The extent to which the Rights Offering will have any further effect on the percentage holdings of stockholders and CDI holders will be dependent on the extent to which Eligible Holders participate in the Rights Offering. In particular:

- Eligible Holders who do not take up their full pro rata entitlement under the Rights Offering and Ineligible Holders will have their percentage holding in VTI further diluted relative to those Eligible Holders who subscribe for some or all of their pro rata entitlement.
- If all Eligible Holders take up their full pro rata entitlement under the Rights Offering then the percentage holding of Eligible Holders will be unchanged (subject to changes resulting from, as noted above, completion of the Placement).

Subject to the conditions for the Convertible Note Issue being satisfied (including stockholder approval) and the Convertible Note Issue completing, the Convertible Notes may be converted into a maximum of 57,971,014 CDIs, up until maturity (which is two years after the relevant completion date). If all or some of the Convertible Notes are converted into CDIs, this will have the further effect of diluting the percentage holdings of stockholders and CDI holders in VTI, with the extent of any such dilution being dependent on the number of Convertible Notes converted (if any). Furthermore, VTI may, with the noteholders' consent, (and subject to certain conditions) elect to pay the interest in cash, CDIs or a combination of cash and CDIs. VTI does not presently intend to pay any interest in CDIs, however if this were to occur the relative ownership of other CDI holders and stockholders would be diluted.

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About Visioneering Technologies

Visioneering Technologies Inc. (ASX:VTI) is an innovative eye care company committed to redefining vision. Since its founding in 2008, Visioneering has brought together clinical, marketing, engineering, manufacturing and regulatory leaders from top vision care businesses to provide new solutions for presbyopia, myopia and astigmatism.

Headquartered in the US, Visioneering designs, manufactures, sells and distributes contact lenses. Its flagship product is the NaturalVue® Multifocal contact lens, and VTI has expanded its portfolio of technologies to address a range of eye care issues. The company has grown operations across the United States, Australia and Europe and is expanding into Asia with a focus on markets with high rates of myopia.

Foreign Ownership Restrictions

VTI's CHES Depository Interests (**CDIs**) are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (**Securities Act**) for offers which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. As a result of relying on the Regulation S exemption, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person for the foreseeable future except in very limited circumstances after the expiration of a restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a 'FOR US' designation on the Australian Securities Exchange (**ASX**). This designation restricts any CDIs from being sold on ASX to US persons. However, you are still able to freely transfer your CDIs on ASX to any person other than a US person. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

Forward-Looking Statements

This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management.

All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These include, without limitation, U.S. commercial market acceptance and U.S. sales of our product as well as our expectations with respect to our ability to develop and commercialize new products.

Management believes that these forward-looking statements are reasonable when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. VTI does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. VTI may not actually achieve the plans, projections or expectations disclosed in forward-looking statements. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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