

**OFFER BOOKLET**

**VISIONEERING TECHNOLOGIES, INC.**

**ARBN 616 156 248**

**9 FOR 19 NON-RENOUNCEABLE PRO RATA RIGHTS  
OFFERING OF NEW CDIS AT AN ISSUE PRICE OF \$0.045 PER  
NEW CDI**

The Rights Offering closes at 5:00pm (Australian Eastern Standard time) on  
Wednesday, 26 June 2019

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE AN ELIGIBLE HOLDER YOU SHOULD READ THIS OFFER BOOKLET IN ITS ENTIRETY  
BEFORE DECIDING WHETHER TO APPLY FOR NEW CDIS.

IF YOU DO NOT UNDERSTAND ANY PART OF THIS OFFER BOOKLET, OR ARE IN ANY DOUBT AS TO  
HOW TO DEAL WITH IT OR YOUR ENTITLEMENT, YOU SHOULD CONSULT YOUR FINANCIAL OR  
OTHER PROFESSIONAL ADVISER.

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## Important Information

### About this document

This Offer Booklet contains information relating to a proposed Rights Offering to be undertaken by Visioneering Technologies, Inc. ARBN 616 156 248 (**VTI**). This Offer Booklet is important and requires your immediate attention.

The Rights Offering is being made in accordance with Section 708AA of the Corporations Act. A reference to Section 708AA in this Offer Booklet means Section 708AA of the Corporations Act as modified by ASIC Class Order [CO 14/827] and ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, this Offer Booklet is not a prospectus and does not contain all information which an investor may require to make an informed investment decision.

### Forward-looking statements

This Offer Booklet 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, including without limitation our expectations with respect to our ability to commercialise our products including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialise new products including our ability to obtain reimbursement for our products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position. Management believes that these forward-looking statements are reasonable as and when made. Eligible Holders 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, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

### Foreign jurisdictions

The Rights Offering is not being extended to Eligible Holders in jurisdictions outside Australia and New Zealand and no action has been taken to register, or otherwise permit, the offer of New CDIs to be made under the laws of any jurisdiction outside of Australia and, New Zealand. In particular, the New CDIs offered under the Rights Offering have not been, and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. It is your responsibility to ensure that you comply with any laws of your jurisdiction which are applicable to you and which are relevant to your applying for New CDIs under the Rights Offering

The distribution by you of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, may be restricted by law. You should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities law.

This Offer Booklet has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States. This Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this Offer Booklet have not been, and will not be, registered under the US Securities Act, or any state securities laws, and until so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the US Securities Act and applicable state securities laws. Hedging transactions involving any securities described in this Offer Booklet may not be conducted unless in compliance with the US Securities Act.

In order to enforce the above transfer restrictions whilst ensuring that Eligible Holders can still trade their CDIs on ASX, the CDIs will bear a "FOR US" designation on ASX. As a result of the imposition of the "FOR US" designation, all holders of CDIs in VTI will be restricted from selling their CDIs on ASX to United States persons.

### No recommendation

The Rights Offering is not a recommendation to acquire CDIs. This Offer Booklet does not constitute financial product advice and does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Holder. Eligible Holders wanting to participate in the Rights Offering should obtain independent advice in relation to the taxation and other consequences of an investment under the Rights Offering before making a decision as to whether to participate in the Rights Offering. A cooling-off regime does not apply in relation to the acquisition of CDIs under the Rights Offering.

**Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Rights Offering that is not contained in this Offer Booklet or the Associated Offer Announcements. Any information or representation that is not contained in this Offer Booklet or the Associated Offer Announcements may not be relied on as having been authorised by VTI in connection with the Rights Offering. Except as required by law, and only to the extent so required, none of VTI, or any other person, warrants or guarantees the future performance of VTI or any return on any investment made pursuant to the Rights Offering.

**No financial product advice**

This Offer Booklet is not financial product advice, does not purport to contain all the information that you may require to make an investment decision, and has been prepared without taking into account your personal investment objectives, financial situation or needs.

Before deciding whether to apply for New CDIs under the Rights Offering, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If after reading this booklet, you have any questions about the Rights Offering, you should contact your financial or other professional adviser.

**Definitions and references to time**

Capitalised words and expressions in this Offer Booklet have the meanings given in Section 6.

A reference to time in this Offer Booklet is to Australian Eastern Standard time, unless otherwise stated.

All financial amounts in this Offer Booklet are references to Australian currency, unless otherwise stated.

**Date of this document**

This Offer Booklet is dated 6 June 2019.

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## Chairman's Letter

6 June 2019

Dear stockholders and holders of CHESSE Depository Interests

On behalf of the Board, I am pleased to invite you to participate in a pro rata, non-renounceable Rights Offering of CHESSE Depository Interests (**CDIs**), representing new fully paid shares of Class A common stock in VTI (**New CDIs**), at a price of \$0.045 per CDI (**Rights Offering**).

On 6 June 2019 (**Announcement Date**), VTI announced the Rights Offering, along with:

- a separate private placement of approximately 22.2 million CDIs also at a price of \$0.045 per CDI to TIGA Trading Pty Ltd and Thorney Technologies Limited (**Thorney**) to raise \$1 million (**Placement**); and
- subject to stockholder approval, the issue of convertible notes to Thorney and other investors affiliated with Thorney (with a principal amount of between US\$2.3million and US\$3 million) (**Convertible Note Issue**).

The Placement is expected to complete on Wednesday, 12 June 2019 and the Convertible Note Issue is expected to close in early July 2019 provided stockholder approval to the issue is obtained. Together, the Placement, the Rights Offering and the Convertible Note Issue will raise a maximum of approximately \$11.1 million before costs and expenses.

The net proceeds from the Placement, the Rights Offering and the Convertible Note Issue, together with other available funds, including cash on hand, will be used to continue our development of the United States market, launch new international markets, new product development, lens purchases to support inventory and sales growth and for general working capital.

### Overview of Rights Offering

The Rights Offering is being made to all security holders who are registered as holders of VTI's CDIs and shares as at 7.00pm (Australian Eastern Standard time) on Wednesday, 12 June 2019 (**Record Date**) with a registered address in Australia and New Zealand (**Eligible Holders**). CDI holders and stockholders with a registered address outside Australia and New Zealand are considered ineligible security holders and cannot participate in the Rights Offering.

Under the Rights Offering, Eligible Holders have the opportunity to subscribe for 9 New CDIs for every 19 CDIs of which they are the registered holder at 7.00pm (Australian Eastern Standard time) on the Record Date at an issue price of \$0.045 per New CDI (**Issue Price**). The Rights Offering is non-renounceable.

The Issue Price represents a 27.1% discount to the 15 day VWAP of VTI's CDIs ending on Monday, 3 June 2019 (the last trading day prior to the Announcement Date).

### Underwriting Arrangements

The Rights Offering is fully underwritten.

VTI has entered into an Underwriting Agreement with Canaccord Genuity (Australia) Pty Ltd (**Lead Manager** or **LM**). In addition, Thorney and Regal Funds Management Pty Ltd (**Regal**) have each committed to take up their pro rata entitlement under the Rights Offering. Regal has also agreed to fully sub-underwrite the remainder of the Rights Offering.

If Eligible Holders do not take up their pro-rata entitlements under the Rights Offering, the shortfall will be allocated to the Lead Manager and sub-underwriter.

Further details regarding the underwriting and sub-underwriting arrangements are set out in Sections 1.5 and 1.6 of this Offer Booklet. The potential implications of the Placement, Rights Offering and Convertible Note Issue on the control of VTI is discussed in Sections 2.5 and 2.6 of this Offer Booklet.

**The Rights Offering is currently scheduled to close at 5.00pm (Australian Eastern Standard time) on Wednesday, 26 June 2019.**

**Action you should take**

If you wish to subscribe for New CDIs, you must ensure that your application and payment is received by this time in accordance with the instructions set out in Section 3.2.

This Offer Booklet contains important information regarding the Rights Offering, and I encourage you to read it carefully before making any investment decision. If you have any questions, you should consult your financial or other professional adviser.

For further information regarding the Rights Offering, please call the Rights Offering Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Australian Eastern Standard time) on Business Days during the offer period for the Rights Offering.

Yours sincerely

A handwritten signature in black ink that reads "Fred M. Schwarzer". The signature is written in a cursive style with a large, stylized 'F' and 'S'.

Fred Schwarzer  
Chairman

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## Key Dates

Event	Date
Announcement of Placement and Rights Offering	6 June 2019
Ex-date	11 June 2019
Record Date to determine entitlement to participate in the Rights Offering	7.00pm on 12 June 2019
Dispatch Offer documents to Eligible Holders	17 June 2019
Rights Offering opens	9.00am on 17 June 2019
Rights Offering closes	5.00pm on 26 June 2019
Shortfall announced to ASX	1 July 2019
Issue of New CDIs	4 July 2019
New CDIs under Rights Offering commence trading on ASX on a normal basis	5 July 2019
Dispatch of holding statements	8 July 2019

Dates and times in this Offer Booklet are indicative only and subject to change. All dates and times are references to Australian Eastern Standard time.

VTI, with the consent of the Lead Manager, reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. In particular, VTI reserves the right to extend the Closing Date, to accept late Applications under the Rights Offering (either generally or in particular cases) and to withdraw the Rights Offering without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New CDIs are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Rights Offering opens.

VTI also reserves the right not to proceed with the whole or part of the Rights Offering at any time prior to the issue of the New CDIs. In that event, application monies (without interest) would be returned to applicants.

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## **1 Investment Summary**

### **1.1 Overview of Rights Offering**

The Rights Offering is a pro rata offer of approximately 128.3 million New CDIs, representing new fully paid shares of Common Stock in VTI, at \$0.045 per New CDI to raise a maximum of approximately \$5.8 million before costs and expenses.

Eligible Holders are entitled to subscribe for 9 New CDIs for every 19 CDIs or shares of Common Stock held by them at 7.00pm (Australian Eastern Standard time) on the Record Date. Fractional entitlements to New CDIs have been rounded up to the nearest whole number of New CDIs.

The Rights Offering is non-renounceable.

The choices available to Eligible Holders in respect of the Rights Offering are described in Section 3. Eligible Holders who do not take up their rights in full will not receive any value in respect of that part of their rights that they do not take up.

The Rights Offering opens at 9.00am (Australian Eastern Standard time) on Monday, 17 June 2019 and is currently scheduled to close at 5.00pm (Australian Eastern Standard time) on Wednesday, 26 June 2019.

The purpose of the Rights Offering and the use of funds raised are set out in Section 2 of this Offer Booklet.

### **1.2 Eligible Holders**

The Rights Offering will be made to all persons who are registered as holders of VTI's Common Stock or CDIs as at 7.00pm (Australian Eastern Standard time) on Wednesday, 12 June 2019 (**Record Date**) with a registered address in Australia and New Zealand (**Eligible Holders**). Stockholders and CDI holders with a registered address outside Australia and New Zealand, or who are acting for the account or benefit of such persons, are considered ineligible and cannot participate in the Rights Offering.

Investors who receive CDIs under the Placement will have those CDIs registered by the Record Date and, therefore, will be entitled to participate in the Rights Offering in respect of those CDIs.

### **1.3 No trading of rights**

Rights under the Rights Offering are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Eligible Holders who do not take up their rights in full will not receive any value in respect of that part of their rights that they do not take up.

### **1.4 What is the entitlement of an Eligible Holder?**

The number of New CDIs to which an Eligible Holder is entitled under the Rights Offering is shown in the personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. In calculating each Eligible Holder's entitlement, fractional entitlements to New CDIs have been rounded up to the nearest whole number of New CDIs. Eligible Holders can subscribe for all, or part, of their pro rata entitlement under the Rights Offering. Detailed instructions on how to accept all, or part of, your pro rata entitlement are set out in Section 3.



Please note that 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 Lead Manager and sub-underwriters.

VTI reserves the right to reduce the number of New CDIs allocated to Eligible Holders, or persons claiming to be Eligible Holders, if their claims as to the extent of their entitlements prove to be overstated or they fail to provide information to substantiate their claims.

## **1.5 Underwriting Arrangements**

VTI and the Lead Manager have entered into an underwriting agreement (**Underwriting Agreement**).

Under the terms of the Underwriting Agreement, the Lead Manager has agreed to take up New CDIs for which valid applications are not received from Eligible Holders plus any New CDIs which would have been offered to Ineligible Holders had such CDI holders been Eligible Holders.

A summary of the Underwriting Agreement, including the material events whereby the Lead Manager may terminate its obligations under the Underwriting Agreement, is set out below.

### **1.5.1 Termination events**

The Lead Manager may terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:

- (a) a statement in any of the offer documents (including this Offer Booklet and all market announcements made in connection with the Rights Offering) does not comply with the Corporations Act or is, or becomes, misleading or deceptive, or likely to mislead or deceive;
- (b) a corrective statement is issued, or required to be issued, to correct the initial cleansing statement;
- (c) the offer timetable is delayed for more than two Business Days without the consent of the Lead Manager;
- (d) there is 7.5% or more fall in the S&P/ASX Small Ordinaries Index
- (e) there are material disruptions in certain financial markets or political conditions in key markets, or hostilities commence or escalate in certain key countries;
- (f) there is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of VTI; or
- (g) VTI is removed from the official list of the ASX, or its CDIs are delisted or suspended from quotation by ASX.

### **1.5.2 Fees**

In consideration for the Lead Manager's services in connection with the Rights Offering and the Placement, VTI will pay a fee equal to 5.5% of the gross proceeds raised under the Rights Offering and the Placement (plus GST).

### **1.5.3 Other provisions**

As is customary with underwriting arrangements, VTI has also (subject to certain limitations) agreed to indemnify the Lead Manager, its affiliates and related bodies corporate, and their respective directors, officers, employees, advisers and representatives against losses they may suffer in connection with the Rights Offering.

### **1.6 Sub-underwriting arrangements**

Subject to the satisfaction of the conditions under the Underwriting Agreement, Thorney and Regal have committed to take up their pro rata entitlement under the Rights Offering, and Regal has agreed to sub-underwrite the remainder of the Rights Offering.

If the Underwriting Agreement is terminated, Regal's obligations as sub-underwriter will also be terminated. Regal does not have a separate right to terminate their sub-underwriting commitment.

### **1.7 Allocation of shortfall**

As a result of the arrangements described above in Sections 1.5 and 1.6, if Eligible Holders do not take up their pro rata entitlements under the Rights Offering, the resulting shortfall will be allocated to the Lead Manager and the sub-underwriter.

### **1.8 Issue of New CDIs**

VTI currently expects that New CDIs will be issued by Thursday, 4 July 2019 and that holding statements will be posted by Monday, 8 July 2019.

### **1.9 Ranking of New CDIs**

When issued, the New CDIs will be fully paid and will rank equally with existing CDIs.

### **1.10 Withdrawal of the Rights Offering**

VTI reserves the right to withdraw all or part of the Rights Offering, and this Offer Booklet, at any time, subject to applicable laws. In that case, VTI will refund application monies in relation to New CDIs not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to VTI will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to VTI.

## 2 Effect of the Rights Offering on VTI

### 2.1 Purpose and use of funds

VTI is raising capital for the following purposes:

- (a) continued development of the United States market;
- (b) launching in other key international geographies;
- (c) lens purchases to support inventory and sales growth;
- (d) general working capital requirements; and
- (e) continued research and development of the product portfolio.

The maximum gross proceeds of the Placement, Rights Offering and Convertible Note Issue will be approximately \$11.1 million, assuming the Convertible Note Issue is approved by stockholders.

Regardless of whether the Convertible Note Issue completes, the proceeds of the Placement and Rights Offering will be applied towards the same uses set out above.

### 2.2 Financial Impact

The Rights Offering will increase VTI's net assets by an amount equal to the net proceeds of the Rights Offering.

The table below shows on a pro forma basis VTI's financial position following completion of the Placement, Rights Offering and Convertible Note Issue (assuming the Convertible Note Issue is approved by stockholders). This information is pro forma in nature and provides an illustrative indication of the effect of the Placement, Rights Offering and Convertible Note Issue had they occurred as at 31 December 2018. It is presented in abbreviated form and does not include all the disclosures that are ordinarily provided in financial statements prepared in accordance with the Corporations Act. It should be read in conjunction with the other disclosures in this Offer Booklet, including in Section 4.

(US\$000's)	Actual		Convertible			Pro Forma 31 Dec 2018
	31 Dec 2018	Placement	Rights Offering	Note Issue	Costs	
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 7,275	\$ 690	\$ 3,984	\$ 3,000	\$ (337)	\$ 14,612
Other Current Assets	2,793	-	-	-	-	2,793
Total Current Assets	10,068	690	3,984	3,000	(337)	17,405
Total Non-Current Assets	311	-	-	-	-	311
Total Assets	\$ 10,379	\$ 690	\$ 3,984	\$ 3,000	\$ (337)	\$ 17,716
<b>Total Current Liabilities</b>						
Total Current Liabilities	\$ 1,376	\$ -	\$ -	\$ -	\$ -	\$ 1,376
Convertible Notes	-	-	-	3,000	-	3,000
Other Non-Current Liabilities	38	-	-	-	-	38
Total Liabilities	1,414	-	-	3,000	-	4,414
Net Assets	8,965	690	3,984	-	(337)	13,302
Total Equity	\$ 8,965	\$ 690	\$ 3,984	\$ -	\$ (337)	\$ 13,302

**Notes:**

1. For the purpose of this pro forma balance sheet, it has been assumed that the full amount of the Placement, Rights Offering and Convertible Notes (i.e. US\$ 3 million) will be subscribed and issued.
2. Assumed a foreign exchange rate of A\$1.00 being equivalent to US\$0.69 (exchange rate published by the Reserve Bank of Australia on 3 June 2019, rounded to the nearest whole percentage).
3. Assumed that the costs and expenses of the Rights Offering and Placement will amount to approximately US\$337,000.
4. The pro forma balance sheet is illustrative as of 31 December 2018 and reflects the actual balance of cash and cash equivalents of \$7.3 million as of that date. VTI's cash balance declined to \$3.5 million as of 31 March 2019 as reported in its Appendix 4C as of that date, and further declined to \$1.4 million as of 31 May 2019. On a pro forma basis as of 31 May 2019, the Company's cash balance subsequent to the transactions would be \$8.8 million. Management anticipates this funding will be sufficient to fund the Company's growth through to the beginning of the second quarter of 2020.

**2.3 Effect on Capital Structure**

The principal effect of the Rights Offering on VTI's issued CDIs will be to increase the total number of issued CDIs. The following table sets out the number of issued CDIs on the Announcement Date and, subject to the rounding of fractional entitlements under the Rights Offering, the total number of issued CDIs at the completion of the Placement and the Rights Offering.

CDIs	Number
CDIs on issue at the Announcement Date	248,619,294
CDIs to be issued under the Placement	22,222,222
CDIs offered under the Rights Offering	128,293,350
Total CDIs on issue on completion of the Rights Offering	399,134,866

**2.4 Effect on CDI holdings**

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:

- (a) 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.
- (b) 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 Convertible Note Issue being satisfied and the Convertible Note Issue completing, the Convertible Notes may be converted into a maximum of 57,971,014 CDIs (based on a principal amount of US\$3 million) 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). There is also

an ability for VTI to pay some or all of the interest on the face value of the Convertible Notes in CDIs (in lieu of cash) under the terms of the Convertible Note, but certain conditions need to be satisfied for that to occur including the agreement of the noteholder. VTI presently intends to pay interest in cash.

## 2.5 Effect of the Offer on the Control of VTI

If all Eligible Holders participate in the Rights Offering, the Board does not anticipate that the Rights Offering will have any material effect on the control of VTI. However, given that:

- (a) Thorney is acquiring CDIs under the Placement and those CDIs will be eligible to participate in the Rights Offering;
- (b) both Thorney and Regal have committed to take up their respective pro rata entitlement under the Rights Offering; and
- (c) 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.

The implications of this for VTI are considered in further detail below.

## 2.6 Potential increases in the holdings of Thorney and Regal

### 2.6.1 Increase in Regal holdings

Regal is a substantial holder of CDIs in VTI. Regal entities currently hold an aggregate of 25,030,907 CDIs (approximately 10.07% of all CDIs on issue, not including any CDIs to be issued under the Placement and Rights Offering).

On completion of the Placement and Rights Offering, it is expected that Regal entities 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 entities will depend upon the extent to which other Eligible Holders take up their entitlements under the Rights Offering. The table below shows the effect on Regal entities' percentage holding depending on the level of take-up by other Eligible Holders.

	Impact on Regal's CDI holding
CDIs held by Regal prior to Rights Offering and Placement	25,030,907
% holding prior to Rights Offering and Placement	10.07 %
% holding following the Rights Offering and Placement assuming minimum shortfall of 35,745,900 CDIs <sup>#</sup>	Approximately 18.2 %*
% holding following the Rights Offering and Placement assuming 50% shortfall	Approximately 22.1 %*
% holding following the Rights Offering and Placement assuming 75% shortfall	Approximately 28.6 %*
% holding following the Rights Offering and Placement assuming 100% shortfall (other than Thorney's entitlement)	Approximately 35.0 %*

\* Assumes Regal entities take up full entitlement.

# Comprising Ineligible Holders CDIs.

## **2.6.2 Increase in Thorney holdings**

Thorney currently holds 6,607,643 CDIs (approximately 2.7% of all CDIs on issue, not including any CDIs to be issued under the Placement and Rights Offering). On completion of the Placement and Rights Offering, it is expected that Thorney will own 10.6% of the issued CDIs.

Subject to the Convertible Note Issue completing, Thorney will hold a maximum of 3,000,000 Convertible Notes (with a face value of US\$1.00 each) which Thorney will have the right to convert into a maximum of 57,971,014 CDIs at a conversion price of \$0.075 at any time up until maturity (two years after the relevant completion date). If all of Thorney's Convertible Notes were converted to CDIs immediately following their issue, Thorney would hold approximately 21.9% of all CDIs on issue (including the CDIs issued under the Placement and Rights Offering). There is an ability for VTI to pay some or all of the interest on the face value of the Convertible Notes in CDIs (in lieu of cash) under the terms of the Convertible Note, but certain conditions need to be satisfied for that to occur, including the agreement of the noteholder. VTI presently intends to pay interest in cash.

## **2.7 Information regarding Regal and Thorney**

Thorney is a subsidiary of Thorney Opportunities Limited, an ASX listed investment Company. Thorney is not a related party of VTI.

Regal is a specialist alternatives fund manager, and one of Australia's leading investment managers servicing a wide range of institutional investors and high net worth individuals. Regal is not a related party of VTI.

The support of Thorney and Regal has facilitated VTI's ability to progress this capital raising initiative. Thorney and Regal are both supportive of VTI's current strategy. VTI understands that Thorney and Regal do not have any current intention to seek any material changes to VTI's operations or its financial or dividend policies, alter the composition of the Board (including by seeking representation on the Board) or to increase their respective holdings in VTI other than as set out in this notice and the Offer Booklet. It is noted however that this is VTI's current understanding and the intentions of Thorney and Regal may differ or change in response to changing circumstances or the passage of time.

## **2.8 Certain provisions of Corporations Act do not apply**

VTI is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares, including provisions that relate to substantial holdings and takeovers. Rather, the acquisition of securities in VTI is subject to Delaware law and applicable US securities laws.

## **2.9 Transfer restrictions**

The Rights Offering is being made available to Eligible Holders in reliance on the exemption from registration contained in Regulation S of the US Securities Act for offers which are made outside the United States. This means that the CDIs issued in the Rights Offering are subject to restrictions under Regulation S.

In order to comply with the requirements of Regulation S, investors may not re-sell any CDIs (or underlying securities) into the United States to a United States person or for the account or benefit of a United States person for a period of one year after the date

of issue of the securities unless the re-sale of the securities is registered under the US Securities Act or an exemption from registration is available.

Accordingly, in order to enforce the above transfer restrictions whilst ensuring that Eligible Holders can still trade their CDIs on ASX, the CDIs will bear a “FOR US” designation on ASX. As a result of the imposition of the “FOR US” designation, all holders of CDIs in VTI will be restricted from selling their CDIs on ASX to United States persons.

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### **3 Choices available to Eligible Holders**

#### **3.1 Your choices**

Before taking any action, you should read this Offer Booklet in its entirety and, if you have any questions, consult your financial or other professional adviser.

If you are an Eligible Holder, the following choices are available to you:

<b>Option</b>	<b>See Section</b>
Take up your pro rata entitlement in full	3.2.1
Take up part of your pro rata entitlement	3.2.2
Take no action	3.7

#### **3.2 How to participate in the Rights Offering**

##### **3.2.1 *Take up pro rata entitlement in full***

If you are an Eligible Holder and wish to take up all of your pro rata entitlement under the Rights Offering, please complete the Entitlement and Acceptance Form, which accompanies this Offer Booklet in accordance with the instructions set out on the form for all of your pro rata entitlement.

##### **3.2.2 *Taking up part of your pro rata entitlement***

If you are an Eligible Holder and wish to take up part of your pro rata entitlement under the Rights Offering, please complete the Entitlement and Acceptance Form, which accompanies this Offer Booklet by inserting the number of New CDIs for which you wish to accept under the Rights Offering in accordance with the instructions set out on the form.

##### **3.2.3 *Payment***

The Issue Price of \$0.045 per New CDI is payable in full on application.

Payments must be received by 5.00pm (Australian Eastern Standard time) on the Closing Date and must be in Australian currency and made by:

- (a) cheque drawn on and payable at any Australian bank;
- (b) bank draft or money order drawn on and payable at any Australian bank; or
- (c) BPAY®.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. You simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut-off times with regards to electronic payment, so please take this into consideration when making payment by BPAY®. It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5.00pm (Australian Eastern Standard time) on the Closing Date.

VTI will treat you as applying for as many New CDIs as your payment will pay for in full.

Cheques, bank drafts and money orders must be made payable to “Visioneering Technologies, Inc.” and crossed ‘Not Negotiable’. Cash payments will not be accepted. Receipts for payment will not be provided.

VTI will not be responsible for any postal or delivery delays or delay in the receipt of your BPAY® payment.

Application monies will be held in trust in a subscription account until New CDIs are issued. Any interest earned on application monies will be for the benefit of VTI and will be retained by VTI irrespective of whether any issue of New CDIs takes place.

#### **3.2.4 Return completed Entitlement and Acceptance Form and payment**

Unless you are paying by BPAY®, completed Entitlement and Acceptance Forms and payment of application money should be forwarded to the CDI Registry by mail in the enclosed prepaid envelope or, if you are outside of Australia or do not use the prepaid envelope, by mail addressed to:

Visioneering Technologies, Inc.  
C/ - Computershare Investor Services Pty Ltd  
GPO Box 505  
Melbourne VIC 3001  
Australia

Completed Entitlement and Acceptance Forms and payments must be received by 5.00pm (Australian Eastern Standard time) on the Closing Date.

Please note that all acceptances, once received, are irrevocable.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. Please see Section 3.2.3 above for details.

### **3.3 Representations you will be taken to make by acceptance**

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have:

- (a) represented and warranted that that there has been no breach by you of the laws of the country which apply to you and are relevant to you applying for New CDIs under the Rights Offering;
- (b) acknowledged that you have fully read and understood this Offer Booklet and the Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form;



- (c) agreed to be bound by the terms of the Rights Offering, the provisions of this Offer Booklet and VTI's bylaws and certificate of incorporation;
- (d) authorised VTI to register you as the holder of the New CDIs allotted to you;
- (e) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Rights Offering;
- (f) acknowledged that once VTI receives your Entitlement and Acceptance Form or any payment of application monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- (g) agreed to apply for and be issued up to the number of New CDIs specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY®, at the Issue Price per New CDI;
- (h) authorised VTI, the CDI Registry and their respective officers, employees or agents to do anything on your behalf necessary for New CDIs to be issued to you;
- (i) declared that you were the registered holder at the Record Date of the CDIs indicated in the Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledged that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that the New CDIs are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledged that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in VTI and is given in the context of VTI's past and ongoing continuous disclosure announcements to the ASX;
- (l) acknowledged the statement of risks in the 'Risk Factors' section of this Offer Booklet and that investments in VTI are subject to risk;
- (m) acknowledged that none of VTI or its related bodies corporate, affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of VTI, nor do they guarantee the repayment of capital;
- (n) agreed to provide any requested substantiation of your eligibility to participate in the Rights Offering and your holding of CDIs on the Record Date; and
- (o) authorised VTI to correct any errors in your Entitlement and Acceptance Form.

#### **3.4 No minimum subscription**

There is no minimum subscription for the Rights Offering.

#### **3.5 No cooling off rights**

Cooling off rights do not apply to an investment in New CDIs. You cannot withdraw your application once it has been made.

### **3.6 Refunds of excess application monies**

Any application monies received for more than the number of New CDIs issued to you (but only where the excess amount is A\$2.00 or greater) will be refunded as soon as reasonably practicable following the close of the Rights Offering. No interest will be paid on any application monies.

Payment of any refund will be made either by:

- (a) cheque mailed to your address as last recorded in VTI's register of members;  
or
- (b) direct credit, but only where you have previously nominated to receive payment of dividends by direct credit and have not withdrawn that nomination.

In all cases, the payment method will be at VTI's election.

### **3.7 If you do nothing**

If you do not apply for New CDIs pursuant to the Rights Offering, your entitlement under the Rights Offering will lapse.

If you do not apply for CDIs pursuant to the Rights Offering, your percentage ownership in VTI will be diluted because the issue of New CDIs under the Rights Offering will increase the total number of CDIs on issue.

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## 4 Risk Factors

This section identifies what the Directors regard as major risks, which may materially and adversely affect the future operating and financial position of VTI and the value of CDIs. You should carefully consider the following risk factors, as well as the other information contained in this Offer Booklet before making an investment decision.

The Directors assessment of risks was based on the knowledge as at the date of this Offer Booklet and there is no assurance that the relative importance of the various risks will not change.

### 4.1 Company Specific Risks

In addition to the general risks noted in Section 4.2 of this Offer Booklet, investors should be aware of the specific risks of an investment in VTI. These specific risks include, but are not limited to, those risks referred to below.

#### 4.1.1 Business Risks

In assessing VTI's business products, Eligible Holders should consider the various risks and difficulties frequently encountered by companies early in their commercialisation, specifically companies that develop and sell medical devices. These risks include VTI's ability to:

- (a) implement and execute its business strategy;
- (b) expand and improve the productivity of its sales team and marketing programs;
- (c) increase awareness of its brand and products, and build loyalty among eye care professionals;
- (d) manage expanding operations; and
- (e) respond effectively to competitive pressures and developments.

#### 4.1.2 Business Development Update

VTI released a Business and Operations Update to ASX on 14 May 2019 (**Update**), which included summaries of business activity regarding China, Europe and other international expansions. These summaries included the status of these matters and management's current plans. There can be no assurances that these plans will be completed, or that if completed, they will be favourable to VTI. The inability of management to complete these initiatives as planned could have a material adverse effect on the long-term success of VTI.

#### 4.1.3 Market Adoption Risk

Eye care professionals play a significant role in influencing the type of contact lenses used by patients. To achieve commercial success, VTI is reliant on eye care professionals accepting and recommending its lead product, NaturalVue MF contact lenses, and its other current and future product lines. Eye care professionals may be slow to adopt and recommend NaturalVue MF contact lenses to their patients for the following reasons (without limitation):

- (a) preference for the products of competitors due to familiarity with those products coupled with a belief that an existing product is sufficient for the patient's needs;
- (b) lack of long-term clinical data illustrating the benefits of NaturalVue MF contact lenses; and
- (c) lack of willingness to invest the time required to learn the fitting process for NaturalVue MF contact lenses.

VTI already has demonstrated good market adoption as evidenced by increasing its net revenue, the number of Active US Accounts and the number of international territories in which it is selling NaturalVue MF. However, these factors alone do not ensure the widespread or continued support of NaturalVue MF contact lenses among eye care professionals. If a significant number of eye care professionals in the US cease selling or do not agree to sell and recommend NaturalVue MF contact lenses to their patients, or if they promote the products of competitors, this would adversely impact or delay VTI's ability to generate revenue and achieve profitability.

#### **4.1.4 Competition**

The contact lens market is competitive. Globally, four companies control over 95% of the soft contact lens market; Johnson & Johnson Vision Care, Inc., Alcon (recently spun off from Novartis AG), CooperVision, and Bausch Health Companies, Inc. These companies have largely undifferentiated products and may engage in aggressive pricing competition, which may affect demand for VTI's products. These competitors have substantially greater financial resources, research and development budgets, sales forces, market penetration and manufacturing volumes than VTI. They also have broader product ranges and offer complementary eye care products which VTI does not offer, examples of which include contact lens care products and ophthalmic pharmaceuticals. This may give them a competitive advantage in marketing their contact lenses. If VTI is unable to successfully respond to these competitive pressures and secure market share for its NaturalVue MF contact lenses, this could have a material adverse effect on its business, financial condition and results of operations.

#### **4.1.5 Single Manufacturer**

VTI's contact lenses are manufactured by Pegavision, an original equipment manufacturer (**OEM**) based in Taiwan. While Pegavision is a large and well-regarded OEM, reliance on a single outsourced contract manufacturer involves a number of risks. For example, should Pegavision fail to meet quality standards set by VTI or a regulatory authority, production may be interrupted while the cause is identified and rectified. If quality problems are not identified and rectified before the affected product is sold, VTI may incur recall and product liability costs as well as reputational damage. Any disruption of the OEM's operations could cause a significant business disruption to VTI, including potentially impacting upon VTI's ability to obtain saleable products and harming customer goodwill.

If VTI needed to replace Pegavision as its contract manufacturer for any reason, VTI would require approximately nine months to identify and establish arrangements with a new OEM, partly because VTI would need to change some non-optical design elements of its contact lenses if it were to use another OEM (see also the risk factor below regarding Toric and Multifocal Toric contact lenses). To limit the potential disruption to its business, VTI monitors the market for contact lens OEMs for suitable alternative suppliers in case it should need one. In addition, VTI intends to keep inventory in reserve in case of disruptions to supply. However, there is no guarantee that such reserve would be sufficient if there was a serious supply disruption.

#### **4.1.6 Innovation**

Although there has been little innovation in the optical design or functionality of Multifocal contact lenses over the last 20 years, new or competing contact lens products could emerge that might offer better clinical performance than NaturalVue MF contact lenses. VTI is not aware of any other Multifocal contact lens products which it believes are comparable to NaturalVue MF contact lenses. However there have been, and there continues to be, a number of efforts made by competitors to offer new solutions for Presbyopia, Paediatric Myopia, and other vision corrections.

Competitors may be able to commercialise contact lens products in the future that compete with NaturalVue MF contact lenses, even if they do not offer better vision performance or more effective Myopia Progression Control than NaturalVue MF contact lenses. Such products could, if commercially successful, materially reduce the attractiveness of NaturalVue MF contact lenses, which could have a material adverse effect on VTI's business, financial condition and results of operations.

In addition, further research on the other soft contact lenses, hard contact lenses, and pharmaceuticals could find that such products are sufficiently effective at preventing or slowing Myopia Progression which would position those products as material competitive threats to NaturalVue MF contact lenses in any markets in which they and NaturalVue MF contact lenses are both sold.

#### **4.1.7 Limited sales, marketing and distribution resources**

VTI has a small sales team in the United States and will need to commit significant resources to further develop its sales, marketing and distribution network in the United States and abroad. VTI uses direct sales representatives in the US to market and sell its products, but in all other markets, VTI is using or plans to use third party distributors.

As VTI continues its broader commercial roll-out in the US and enters additional international markets, it will need to expand the reach of its sales and marketing network, including selecting and managing a geographically-dispersed network of overseas distributors. If VTI is unable to expand its sales, marketing and distribution resources effectively, its ability to grow its business and generate sales of its contact lenses could be adversely affected.

#### **4.1.8 Regulatory Risk**

VTI has only received regulatory clearance to sell NaturalVue contact lenses in the US, Europe, Australia and New Zealand. VTI's international growth strategy is dependent on obtaining clearances or approvals from regulatory bodies in other jurisdictions. Despite receiving regulatory clearance in several markets, VTI is not assured of receiving all necessary regulatory clearances and approvals in other jurisdictions, and cannot predict with certainty the timelines for such clearances and approvals, or other requirements that may be imposed by regulatory authorities (e.g. further clinical trials or other requirements to prove the safety and effectiveness of its contact lenses). In addition, future changes to NaturalVue MF contact lenses, which affect their safety or efficacy, may require new regulatory clearance or approval in some jurisdictions before VTI may sell the revised product.

#### **4.1.9 Research**

Eye care professionals are generally hesitant to use vision correction products on children without peer-published data on the efficacy of the products. Accordingly, in order for NaturalVue MF contact lenses to be broadly used for the treatment of Myopia in children in the US, VTI is reliant on there being robust data supporting the efficacy of NaturalVue MF contact lenses published in peer-reviewed medical literature by those eye care professionals who are currently testing and using the contact lenses.

Some eye care professionals have published data on the effectiveness of NaturalVue MF in peer-reviewed medical literature to date. Although the published data and other data gathered to date by the small number of eye care professionals using the contact lenses on children is positive, this data may not necessarily be predictive of any future patient outcomes. In addition, even if the data continues to be positive, there is no guarantee that a sufficient number of eye care professionals will compile their data, or later seek to publish it. If VTI is unable to drive awareness of the efficacy of NaturalVue MF contact lenses through these means, the broader adoption of NaturalVue MF contact lenses for the correction of paediatric Myopia may be slower than VTI expects, which could have a material adverse effect on VTI's business model and potential revenues.

#### **4.1.10 Commercialisation of Products**

VTI is planning to broaden its product offering by introducing Toric contact lenses for Astigmatism, and subsequently, Multifocal Toric contact lenses for Astigmatism and Presbyopia. These additional product offerings are still in development. Even if these products are successfully developed, their commercial success will depend on many factors, including VTI's ability to:

- (a) demonstrate the efficacy of the products (which will involve collecting data from clinical studies); and
- (b) reduce the number of lens permutations relative to VTI's competitors, so that the products can more readily be stocked at eye care professionals' offices.

If VTI is unsuccessful in developing and commercialising these products, its ability to increase its revenues in the future may be impaired. Failure to develop new product offerings could have a material adverse effect on VTI's business and financial condition.

In addition, VTI currently is working with Pegavision on the development of its Toric and Multifocal Toric contact lenses. Any lenses ultimately developed likely will incorporate intellectual property owned by each of VTI and Pegavision and cross-licensed to each other. It will therefore be difficult for VTI to internalise or switch the production of its Toric or Multifocal Toric contact lenses to another OEM should it wish (or need) to do so in the future. If VTI were to replace Pegavision for any reason, VTI would likely need to redesign its Toric and Multifocal Toric products to rely upon a conventional Toric lens system, in place of the Toric lens system being developed by Pegavision.

#### **4.1.11 Revenue source**

VTI generates the majority of its revenue from the sale of NaturalVue MF contact lenses in the US, and it expects that it will continue to generate a substantial part of its revenues from this product for the foreseeable future. Patients may decide not to purchase NaturalVue MF contact lenses, or eye care professionals may decide not to stock and promote NaturalVue MF contact lenses. Furthermore, demand for the NaturalVue MF contact lenses in the US and international markets may not increase as quickly as VTI anticipates. Even if VTI increases the use of NaturalVue MF contact lenses by eye care professionals and patients, VTI may not be able to generate sufficient revenues or product margins to achieve profitability.

#### **4.1.12 Protection and enforcement of Intellectual Property Rights**

The protection of the intellectual property relied upon by VTI is critical to its business and commercial success. If VTI is unable to protect or enforce the intellectual property rights embodied in its NaturalVue MF contact lenses, there is a risk that other

companies will incorporate the intellectual property into their technology, which could adversely affect VTI's ability to compete in the contact lens market.

VTI's patent portfolio comprises 13 issued patents and five pending patent applications. No assurance can be given that the pending patent applications will result in issued patents. Furthermore, there is a risk that VTI's granted patents could be found by a court to be invalid or unenforceable or revoked before their planned expiry as a result of court action. There is also the risk that the granted patents may not provide VTI with sufficient protection against competitive products and therefore VTI may be unable to prevent competitors from copying its products and technology, marketing products similar to VTI's products or designing around VTI's products.

#### **4.1.13 Convertible Notes**

The obligation of VTI and the purchasers to complete the Convertible Note Issue is subject to a number of conditions being satisfied including stockholders approving the issue of the convertible notes under the Listing Rules at a special meeting of stockholders. If the conditions are not satisfied (or to the extent possible, waived) then despite the raising of funds under the Placement and Rights Offering, VTI may need to seek additional funding through other sources as contemplated in Section 4.1.14.

If the Convertible Note Issue does proceed, then the noteholders, including Thorney, will have the right to convert their Convertible Notes into CDIs which would have a dilutive impact on other stockholders and CDI holders.

#### **4.1.14 Sufficiency of Funding**

VTI is currently not profitable and does not expect to become profitable until it grows its sales revenue to a level sufficient to fund on-going company operations. Slower than anticipated market adoption or lower than expected product margins could require VTI to seek additional funding.

VTI may need to finance its future cash needs through equity offerings, debt financing or corporate collaboration. Any additional funds that it obtains may not be on terms favourable to its stockholders and may dilute their ownership or require VTI to relinquish valuable rights. There is no assurance that additional funding would be available in the future or would be secured on acceptable terms.

#### **4.1.15 Key personnel**

VTI's long term growth and performance is dependent on attracting and retaining highly skilled staff. The contact lens industry has strong competition for highly skilled workers. There is a risk that VTI will be unable to attract and retain the necessary staff to pursue its business model. In particular, if Dr Stephen Snowdy, VTI's CEO, were to leave VTI, it would lose significant technical and business expertise, and VTI may not be able to find a suitable replacement. This would affect how efficiently VTI operates its business and its future financial performance could be impacted. VTI has structured incentive programs for its key personnel. Despite these measures, there is no guarantee that VTI will be able to attract and retain suitable qualified personnel, which could negatively affect VTI's ability to reach its goals.

#### **4.1.16 Third party intellectual property rights disputes**

VTI does not believe that its activities infringe any third party's intellectual property rights, or that its planned activities will do so. To date, no third party has made assertions to the contrary. However, in the future VTI may be subjected to infringement claims or litigation arising out of patents and pending applications of its competitors, or additional proceedings initiated by third parties or intellectual property authorities to re-examine the patentability of licensed or owned patents.

The defence and prosecution of intellectual property claims and litigation, and related legal and administrative proceedings, are costly and time consuming to pursue, and their outcome is uncertain. If VTI infringes the rights of third parties, it could be prevented from selling NaturalVue MF contact lenses or any future products, and be forced to defend against litigation and to pay damages.

#### **4.1.17 Delaware Company**

The rights attaching to Common Stock are subject to Delaware General Corporation Law and in some respects differ from the rights attaching to shares in an Australian company.

Provisions of VTI's certificate of incorporation, its bylaws and Delaware General Corporation law could make an acquisition of VTI, which may be beneficial to stockholders, more difficult and may prevent attempts by stockholders to replace or remove the current members of the Board and management.

Certain provisions of VTI's certificate of incorporation and bylaws could discourage, delay or prevent a merger, acquisition or other change of control that stockholders may consider favourable, including transactions in which stockholders might otherwise receive a premium for their CDIs. Furthermore, these provisions could prevent or frustrate attempts by stockholders to replace or remove members of the Board. These provisions could also limit the price that investors might be willing to pay in the future for the CDIs, thereby depressing the market price of the CDIs. Stockholders who wish to participate in these transactions may not have the opportunity to do so.

In addition, VTI is governed by the provisions of section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit large stockholders, in particular those owning 15% or more of the voting rights, from merger or combining with VTI for a prescribed period of time.

VTI will also incur costs and demands upon management as a result of complying with laws and regulations affecting public companies in the US as well as listing requirements on ASX, which may adversely affect its operations results, and failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could cause investors to lose confidence in its operating results, potentially, having a material adverse effect on the price of VTI's Common Stock and the CDIs.

#### **4.1.18 Reporting Requirements**

VTI expects to become subject to the periodic reporting requirements of the US Exchange Act at some stage in the near future which would require it to register the Common Stock with the US Securities and Exchange Commission (**SEC**) under the US Exchange Act. VTI will become a reporting company if, among other things, VTI has (i) assets of more than US\$10 million and (ii) either 2,000 or more holders of any class of equity securities or 500 or more holders of any class of equity securities who are not 'accredited' investors' as defined in Rule 501 of Regulation D of the US Securities Act.

This will involve VTI filing annual, quarterly and current reports on Forms 10-K, 10-Q and 8-K. In the absence of a waiver from the ASX Listing Rules, these SEC periodic reports will be in addition to VTI's periodic filings required by the ASX Listing Rules. The legal and accounting costs and management time that is required to comply with these reporting requirements are expected to be significant.



#### **4.1.19 Speculative Nature of Investment**

Any potential investor should be aware that subscribing for CDIs involves various risks. The CDIs to be issued pursuant to the Rights Offering carry no guarantee with respect to the payment of dividends, return of capital or market value. The success of VTI is largely dependent on US and European market adoption. An investment in VTI should therefore be considered speculative in nature.

#### **4.1.20 No Independent Valuation**

No independent valuation has been carried out on VTI or its products. Valuations of medical device products in early commercial use are imprecise. The Directors do not believe that an independent valuation would be meaningful given the likely qualifications and limitations of such valuations and the difficulties in determining the full commercial potential of VTI and its products.

#### **4.1.21 Exchange Rates**

VTI may be subject to exchange rate risks with the majority of the proceeds of the Rights Offering to be received in Australian Dollars, while VTI's functional currency is in US Dollars.

VTI does not intend to enter into hedging transactions. The CDIs will be listed on the ASX and priced in Australian dollars. However, VTI's reporting currency is US dollars. As a result, movements in foreign exchange rates may cause the price of VTI's securities to fluctuate for reasons unrelated to VTI's financial condition or performance and may result in a discrepancy between VTI's actual results of operations and the investor's expectations of the returns of VTI's securities expressed in Australian dollars.

### **4.2 Industry Specific Risks**

#### **4.2.1 Alternatives**

The contact lens industry competes with manufacturers of eyeglasses and with refractive surgical procedures that correct visual defects, such as LASIK. VTI believes that eyeglasses and laser vision correction are not significant threats to sales of contact lenses given the advantages contact lenses offer patients. However, it is possible that the demand for contact lenses may decrease in the future if other correction procedures grow in scope or applicability, or alternative technologies or procedures are developed that provide a practical alternative to vision correction with contact lenses. A decrease in demand for contact lenses could have a material adverse effect on VTI's business and financial condition.

#### **4.2.2 Risks Related to International Operations**

As VTI's contact lenses are manufactured in Taiwan, VTI is exposed to risks of foreign regulations in Taiwan and national trade laws (including import and export laws, and customs regulations and laws), as well as potential geo-political risks.

In addition, the change in US presidential administrations has created uncertainty about future relationships between the United States and other countries, including China and Taiwan, with respect to trade policies, government regulations and tariffs.

The US President has criticised certain trade agreements and has proposed increasing tariffs on goods imported into the United States. If this were to occur in relation to goods imported from Taiwan, this would increase the Company's cost of sourcing contact lenses from its current manufacturer. If current trade conflicts between the US and China continue, VTI's addressable markets outside the US could be reduced.

VTI recently began operations in the United Kingdom and expect to generate significant revenue in that market over the next several years. The United Kingdom Referendum on Withdrawal from the European Union may negatively impact our ability to grow our revenue in this market, and may impact global economic conditions beyond the United Kingdom. We cannot predict the impact of the Referendum on our business, financial condition or results of operations.

Furthermore, VTI intends to sell its products in other international markets. There can be high compliance costs associated with complying with overseas laws and regulations, and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action.

### **4.3 General Risks**

There are risks associated with any stock market investment. Some of these risks are listed below.

#### **4.3.1 Stock Market Fluctuations**

Stock market fluctuations in Australia and other stock markets around the world may negatively impact the CDI price. Factors that may influence the investment climate in stocks (which may not relate to actual performance of VTI) include general economic outlook, movements in commodity prices, exchange rate movements, interest rates, inflation and political developments.

#### **4.3.2 Liquidity and realisation risks**

There can be no guarantee that an active market for CDIs will develop or that the price of CDIs will increase. There may be relatively few buyers or a relatively high number of sellers of CDIs on the ASX at any given time. This may increase the volatility of the market price of CDIs. It may also affect the prevailing market price at which a stockholder is able to sell their CDIs. This may result in stockholders receiving a market price for their CDIs that is less than the price paid for their CDIs.

#### **4.3.3 General Economic Conditions**

Australian and world economic conditions may negatively impact VTI's financial performance. A prolonged deterioration in economic conditions could be expected to have a material adverse impact on VTI.

#### **4.3.4 Taxation**

Changes in tax legislation and regulation or their interpretation may adversely affect the value of an investment in CDIs and may affect stockholders differently.

#### **4.3.5 Accounting standards**

Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this Offer Booklet may adversely impact VTI's reported financial statements.

#### **4.3.6 Absence of Dividends**

The ability of VTI to pay any dividend is dependent on many factors including the outcome of VTI's clinical trials and commercialisation activities. Many of the factors that will affect VTI's ability to pay dividends and the timing of those dividends will be outside the control of VTI and its Directors. The Directors cannot give any assurance regarding the payment of dividends in the future.

#### **4.4 Other**

Other risks include those normally found in conducting business, including litigation resulting from breach of agreements or in relation to employees or any other cause.

The above list of risk factors should not be taken as exhaustive of the risks faced by VTI or by investors in VTI. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of VTI and the value of the CDIs.

Therefore, the CDIs to be issued pursuant to the Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those CDIs.

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## **5 Further Information**

### **5.1 Taxation**

Taxation implications of participating in the Rights Offering will vary depending on the particular circumstances of individual Eligible Holders. Eligible Holders are advised to obtain their own professional taxation advice before making a decision in relation to the Rights Offering.

### **5.2 This Offer Booklet is not a prospectus**

The Rights Offering is being conducted in accordance with Section 708AA of the Corporations Act. In general terms, Section 708AA relates to rights issues by certain companies that do not require the preparation of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is considerably less than the level of disclosure required in a prospectus.

As a result, in deciding whether or not to accept the Rights Offering, you should rely on your own knowledge of VTI, refer to disclosures made by VTI to the ASX (which are available for inspection on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on VTI's website at <http://vtvisioninvestors.com>) and seek the advice of your professional adviser.

### **5.3 Information about VTI**

The information included in this Offer Booklet provides information about VTI's activities current as at 6 June 2019. It is information in summary form and does not purport to be complete. It should be read in conjunction with VTI's other periodic and continuous disclosure announcements.

### **5.4 Future performance**

The words "anticipate", "believe", "expect", "project", "estimate", "likely", "intend", "should", "could", "may", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

An investment in VTI is subject to investment and other known and unknown risks, some of which are beyond the control of VTI. VTI does not guarantee any particular rate of return or the performance of VTI nor does it guarantee the repayment of capital from VTI or any particular tax treatment.

### **5.5 Past performance**

Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

### **5.6 Foreign holders of CDIs**

This Offer Booklet does not constitute an offer of CDIs in any jurisdiction in which it would be unlawful. In particular, this Offer Booklet may not be distributed to any person, and the CDIs may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **5.6.1 New Zealand**

The CDIs are not being offered to the public within New Zealand other than to existing CDI holders of VTI with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **5.6.2 United States**

This Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Securities described in this Offer Booklet have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be, offered or sold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. Accordingly, the New CDIs to be offered and sold to Eligible Holders will be sold only in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

### **5.7 Privacy**

By submitting an Entitlement and Acceptance Form, you will be providing personal information to VTI (directly or through the CDI Registry). VTI collects, holds and will use that information to assess and process your application, administer your holding in VTI and to provide related services to you. VTI may disclose your personal information for purposes related to your holding in VTI, including to the CDI Registry, VTI’s related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and regulatory bodies.

You can obtain access to personal information that VTI holds about you. To make a request for access to your personal information held by (or on behalf of) VTI, please contact VTI through the CDI Registry.

### **5.8 Governing law**

This Offer Booklet, the Rights Offering and the contracts formed on acceptance of the Rights Offering are governed by the laws applicable in New South Wales, Australia. Each applicant for New CDIs submits to the non-exclusive jurisdiction of the courts of New South Wales.

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## 6 Glossary and Interpretation

### 6.1 Definitions

In this Offer Booklet, the following words have the following meanings unless the context requires otherwise:

Term	Meaning
<b>\$ or A\$</b>	Australian dollars.
<b>Announcement Date</b>	6 June 2019.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
<b>ASX Listing Rules</b>	the official listing rules of the ASX as amended or replaced from time to time.
<b>Board</b>	the board of directors of VTI.
<b>BPAY®</b>	the electronic payment facility by that name.
<b>Business Day</b>	a day which is not a Saturday, Sunday or a public holiday in New South Wales.
<b>CDI</b>	a CHESS Depository Interest, being a unit of beneficial ownership of shares of Common Stock (with each CDI representing a corresponding share of Common Stock).
<b>CDI Register</b>	the register of all holders of CDIs in VTI maintained by the CDI Registry.
<b>CDI Registry</b>	Computershare Investor Services Pty Ltd ABN 48 078 279 277.
<b>CHESS</b>	Clearing House Electronic Subregister System.
<b>Closing Date</b>	the deadline for accepting the Rights Offering, being 5.00pm on 26 June 2019 (subject to change).
<b>Common Stock</b>	fully paid shares of Class A common stock in VTI.
<b>Convertible Notes</b>	means convertible notes the subject of the Convertible Note Issue.
<b>Convertible Note Issue</b>	means the issue of convertible notes by the Company to Thorney to raise between US\$2.3 million and US\$3 million.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	the directors of VTI.

<b>Eligible Holder</b>	has the meaning given in Section 1.2.
<b>Entitlement and Acceptance Form</b>	the personalised form accompanying this Offer Booklet which may be used to make an application for New CDIs under the Rights Offering.
<b>Ineligible Holder</b>	a holder of CDIs who is not an Eligible Holder.
<b>Issue Price</b>	the price payable for each New CDI under the Rights Offering, being \$0.045.
<b>Lead Manager or LM</b>	Canaccord Genuity (Australia) Limited
<b>New CDIs</b>	the CDIs offered pursuant to the Rights Offering.
<b>Offer Booklet</b>	this offer booklet dated 6 June 2019.
<b>Placement</b>	The offer of new CDIs in a private placement announced on 6 June 2019.
<b>Record Date</b>	7.00pm (Australian Eastern Standard time) on 12 June 2019.
<b>Regal</b>	means Regal Funds Management Pty Ltd
<b>Rights Offering</b>	the pro rata non-renounceable Rights Offering to Eligible Holders outlined in this Offer Booklet.
<b>SEC</b>	US Securities and Exchange Commission.
<b>Thorney</b>	means TIGA Trading Pty Ltd and Thorney Technologies Limited
<b>US Securities Act</b>	US Securities Act of 1933, as amended.
<b>VTI or Company</b>	Visioneering Technologies, Inc. ARBN 616 156 248.

## 6.2 Interpretation

In this Offer Booklet, unless the context otherwise requires:

- (a) where fractions arise in the calculations, they will be rounded up to the nearest whole number of New CDIs;
- (b) the singular includes the plural, and vice versa;
- (c) words importing one gender include other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Offer Booklet have corresponding meanings;
- (e) terms used in this Offer Booklet and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- (f) other grammatical forms of a word or phrase defined in this Offer Booklet have a corresponding meaning; and

(g) a reference to a Section is a reference to a Section of this Offer Booklet.



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## Corporate Directory

### DIRECTORS

Mr Fred Schwarzer - Chairman (Non-Executive)  
Dr Stephen Snowdy – Chief Executive Officer and Executive Director  
Mr Tom Dooley - Non-Executive Director  
Ms Jean Franchi - Non-Executive Director  
Ms Zita Peach - Non-Executive Director  
Ms Christine Van Heek - Non-Executive Director

### COMPANY SECRETARY

Mr Julian Rockett

### HEADQUARTERS

10745 Westside Way  
Suite 200  
Alpharetta GA 30009  
United States of America

### CDI REGISTRY

Computershare Investor Services Pty Ltd  
GPO Box 505  
Melbourne VIC 3001  
Australia

### LEAD MANAGER

Canaccord Genuity (Australia) Limited  
Level 4, 60 Collins Street  
Melbourne VIC 3000  
Australia

### SOLICITORS

Johnson Winter & Slattery  
Level 25, 20 Bond Street  
Sydney NSW 2000  
Australia

Rights Offering Information Line:

Phone (within Australia): 1300 850 505  
Phone (outside Australia): +61 3 9415 4000  
Open 8.30am to 5.00pm on Business Days