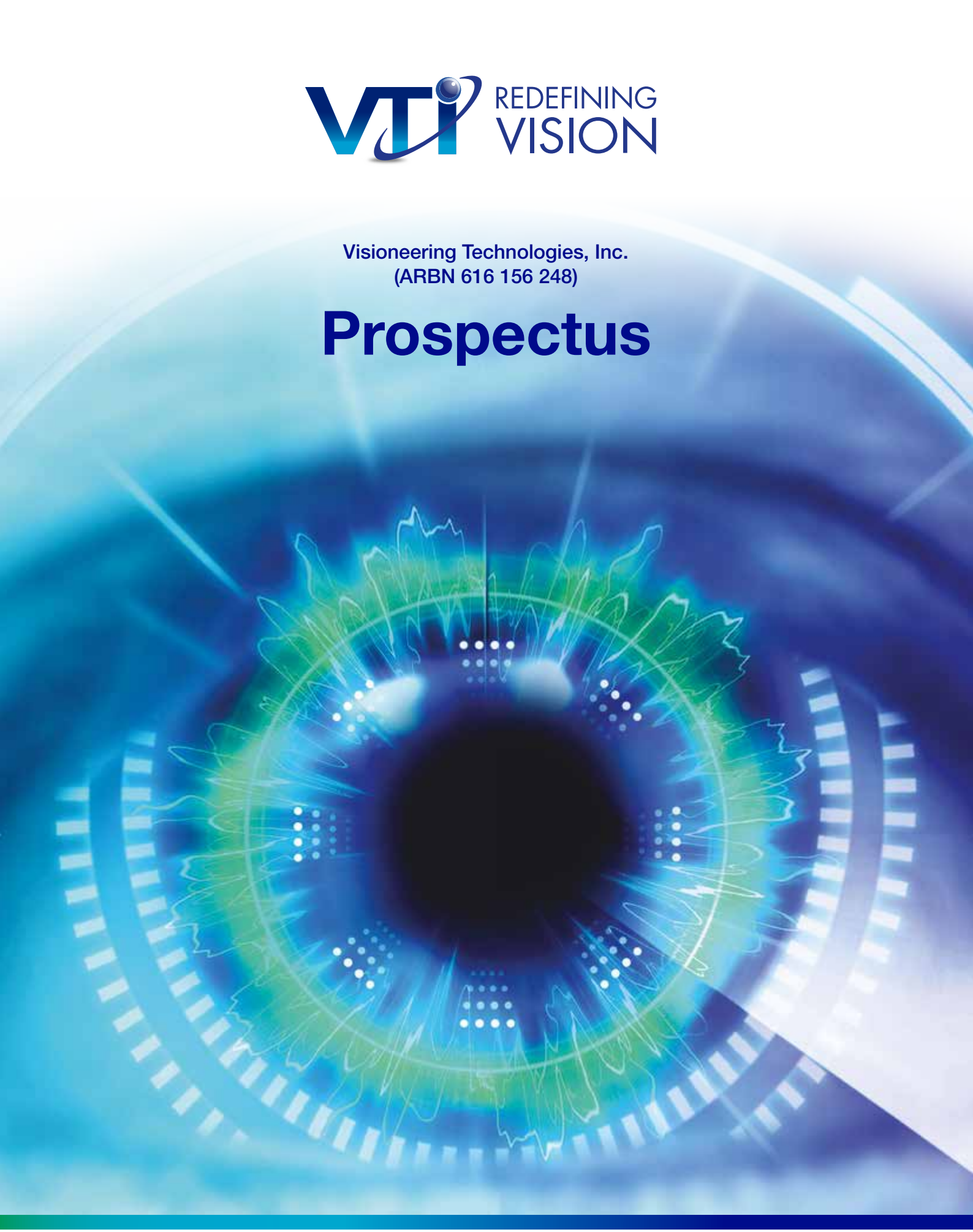
REDEFINING VISION

Visioneering Technologies, Inc.
(ARBN 616 156 248)

Prospectus



Initial public offering of 79,365,079
CHESS Depositary Interests (CDIs)
at an issue price of A$0.42 per CDI

Lead Manager

CANACCORD Genuity

Important notices

General

Visioneering Technologies, Inc. (**Visioneering; Company**) is a company incorporated in the State of Delaware in the US and registered in Australia as a foreign company (ARBN 616 156 248). Applicants purchasing CHESS Depositary Interests (**CDIs**) in the Company under the Offer will receive a holding statement for CDIs in the Company. Please refer to Sections 7 and 11 for further information about CDIs.

Defined terms and abbreviations (including technical terms and abbreviations) used in this Prospectus have the meanings given in the Glossaries in Section 13.

Offer

The Offer contained in this Prospectus is an invitation to acquire CDIs (representing Shares) in the Company.

Expiry date

No CDIs will be allotted or issued on the basis of this Prospectus later than 13 months after the Original Prospectus Date.

Prospectus

This Prospectus is dated 24 February 2017 and a copy of this Prospectus was lodged with ASIC on that date. This is a replacement prospectus which replaces the prospectus dated 16 February 2017 (**Original Prospectus**) that was lodged with ASIC on that day (**Original Prospectus Date**).

This Replacement Prospectus differs from the Original Prospectus in the following key areas:

- additional cross references have been included in Sections 1.1 and 1.2;
- Section 1.2 contains a more detailed summary of the disclosure in Section 4.2 about new or competing contact lens innovations;
- the word 'generally' has been deleted from the discussion in Section 3.4 on the ideal contact lens design for the blunting of Myopia Progression;
- Sections 3.5.2 and 3.5.3 clarify that the Company is aiming to obtain CE Marking certification and TGA approval in the second half of 2017;
- a patient testimonial in Section 3 has been deleted and other testimonials have been moved;
- the first risk factor in Section 4.3.3 includes additional detail regarding the holdings of certain Existing Holders; and
- details of the escrowed securities have been moved from Appendix B to Section 7.8 and the summary of refractive conditions has been moved to form a new Appendix B.

The lodgement of a replacement prospectus has also required certain references to 'this Prospectus' and 'the date of this Prospectus' to be amended to refer to the 'Original Prospectus' and 'Original Prospectus Date' respectively, and to reflect the fact that the Company has now applied to the ASX for admission to the Official List and for quotation of its CDIs on the ASX.

Neither ASIC, the ASX nor any of their officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

A paper copy of this Prospectus is available to Australian residents, free of charge, by calling the Offer Information Line on 1300 646 967 (within Australia) or +61 3 9415 4019 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Offer Period. This Prospectus is also available in electronic form to Australian residents at www.vtivisioninvestors.com. The Offer constituted by this Prospectus in electronic form is only available to persons in Australia. It is not available to persons in other jurisdictions (including the US and US Persons). Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If you are unsure about the completeness of this Prospectus received electronically, or a print-out of it, you should contact the Company.

Applications for CDIs under this Prospectus may only be made on the Application Form attached to or accompanying this Prospectus. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Refer to Section 7 for further information about Applications.

Application for admission and quotation on the ASX

The Company has applied to be admitted to the Official List of the ASX and for quotation of the CDIs on the ASX. The fact that the ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the CDIs, the Offer or the Company.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of the Original Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds under the Offer. The examination may result in the identification of certain deficiencies in this Prospectus, in which case Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received under this Prospectus during the Exposure Period will not be processed until after the expiry of the Exposure Period.

Note to US residents

The CDIs offered under this Prospectus have not been registered under the *Securities Act of 1933* (US) (as amended to date and the rules and regulations promulgated thereunder) (**US Securities Act**) and may not be offered or sold in the US absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor will there be any sale of the CDIs in any of the US or any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging or similar transactions in the CDIs may not be conducted unless in compliance with the US Securities Act.

FOR US restrictions

The Offer is being made available to investors in reliance on the exemption from registration contained in Regulation S of the US Securities Act for offers and sales which are made outside the US.

As a result of relying on the Regulation S exemption, the CDIs which are issued under the Offer will be 'restricted securities' under Rule 144 of the US Securities Act. This means that you will not be permitted to sell the CDIs issued to you under the Offer into the US or to a US Person for a period of at least 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the US Securities Act or an exemption is available. Please refer to Section 12 for further information.

To enforce the above transfer restrictions, the Company has requested that all CDIs issued under the Offer bear a 'FOR US' designation on the ASX. This designation is designed to automatically prevent any CDIs from being sold on the ASX to US Persons. However, you will still be able to freely transfer your CDIs on the ASX to any person other than a US Person. Please refer to Section 12.1 for further information on the 'FOR US' restrictions which will be placed on the Company's CDIs.

Representations and warranties of non US Person status

All investors subscribing for CDIs under the Offer will be required to make certain representations and warranties regarding status as non US Persons in their Application for CDIs under the Offer. Please refer to Section 12.1.3 of this Prospectus for further information.

Other foreign jurisdictions

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer. No action has been taken to register or qualify the CDIs or the Offer under this Prospectus, or to permit a public offering of CDIs, in any jurisdiction other than Australia.

The Offer is not being extended to any investor outside of Australia, other than to certain Institutional Investors as part of the Institutional Offer in certain jurisdictions. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the Applicant to the Company that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

Financial information and amounts

The Historical Financial Information included in this Prospectus has been prepared and presented in accordance with US Generally Accepted Accounting Principles (**US GAAP**) and is expressed in US dollars, except where otherwise stated. The financial amounts referred to in this Prospectus are expressed in US dollars unless stated otherwise.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Forward looking statements

This Prospectus may contain forward looking statements (statements as to the future) which are typically identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'anticipates', 'intends' and other similar words.

You should consider that as such statements relate to future matters, they are subject to inherent risks, uncertainties and assumptions that could cause actual results or events to differ materially from those foreshadowed in the forward looking statement. Neither the Company, the Directors, nor any other person named, with their consent, in this Prospectus (including any person providing a testimonial or case study) can assure you that any forward looking statement or projected result will be achieved.

Reliance

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire securities in the Company under the Offer. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus. Except as required by law and only to the extent required by law, neither the Company, nor any other person (including any person providing a testimonial or case study) warrants the future performance of the Company.

Privacy

By completing an Application Form, you are providing personal information to the Company and the Registry, which is contracted by the Company to manage Applications, and consent to the collection and use of that personal information in accordance with these terms. If you do not wish to provide this information, the Company may not be able to process your Application. The Company and the Registry will collect, hold and use your personal information in order to assess and process your Application, and if successful, administer security holdings in the Company.

The Company and the Registry may disclose your personal information, for purposes related to your investment, to their agents and service providers, including:

- the Lead Manager in order to assess your Application;
- the Registry for ongoing administration of the Company's registers;
- the printers and the mailing house for the purposes of preparation and distribution of statements and for handling of mail; and
- legal and accounting firms, auditors and other advisers for the purpose of administering and advising on the CDIs and Shares and for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company, or the Registry, details of which are set out elsewhere in this Prospectus.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Registry if any of the details you have provided change.

References to time

All references to time in this Prospectus refer to the time in Sydney, Australia, unless stated otherwise.

Photographs and diagrams

Photographs used in this Prospectus which do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

Investment decision

The information in this Prospectus is not financial product advice or a recommendation to acquire securities in the Company and has been prepared without taking into account the objectives, financial situation or needs of individuals. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should consult your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the CDIs. There are risks associated with an investment in the Company and the CDIs offered under this Prospectus should be regarded as a speculative investment. You should consider the risk factors set out in Section 4 of this Prospectus in light of your personal circumstances (including financial and tax issues). There may also be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Regulation of Visioneering

As Visioneering is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by Delaware General Corporation Law and all applicable US securities laws.

Currency conversions

Where an amount is expressed in this Prospectus in Australian dollars and US dollars, the conversion is based on the Indicative Exchange Rate (being A$1.00 = US$0.75). The amount when expressed in Australian dollars or US dollars may change as a result of fluctuations in the exchange rate between those currencies.

Contents

Key statistics about the Offer

Company	Visioneering Technologies, Inc.
Ratio of CDIs per Share	Each CDI is equivalent to one Share
Indicative number of Shares on issue immediately prior to allotment under the Offer[1]	118,996,552 (equivalent to the same number of CDIs)
Total number of CDIs available under the Offer	79,365,079 (equivalent to the same number of Shares)
Offer Price	A$0.42 per CDI
Gross cash proceeds from the Offer	Approximately US$25.0 million or approximately A$33.3 million
Indicative total number of Shares on issue following the Offer[1]	198,361,631 (equivalent to the same number of CDIs)
Indicative market capitalisation[2] immediately following the Offer (on an undiluted basis)	Approximately A$83.3 million
Options on issue immediately following the Offer	11,543,074
Indicative market capitalisation[2] immediately following the Offer (on a fully-diluted basis)	A$88.2 million

1 Calculated on the assumption that the Restructuring occurs on 22 March 2017 and the Indicative Exchange Rate applies to the conversion of the Convertible Notes (except the Australian Notes).
2 Indicative market capitalisation is determined by multiplying the applicable number of Shares on issue by the Offer Price per CDI.

Letter from the Chairman

Dear Investor,

On behalf of the Board of Directors, it is with great pleasure that I invite you to consider becoming an investor in Visioneering Technologies, Inc. (**Visioneering**).

Visioneering is a US-based medical device company primarily engaged in the design, manufacture, sale and distribution of a revolutionary new contact lens: the NaturalVue™ Multifocal 1 Day (**NaturalVue MF**) contact lens. We believe that the NaturalVue MF contact lens is one of the most significant innovations in the optical design of Multifocal contact lenses in more than 20 years. Compared to currently marketed Multifocal contact lenses, NaturalVue MF contact lenses offer substantial performance improvements and superior patient outcomes for patients with Presbyopia, a large and important patient population. Further, the Company is excited by the early levels of adoption of NaturalVue MF contact lenses by eye care practitioners treating children with Myopia, another large and important patient population.

At the core of the NaturalVue MF contact lens is Visioneering's Neurofocus Optics™ technology, which was developed, refined and tested over many years. NaturalVue contact lenses were cleared by the FDA in late 2014 and Visioneering began an initial pilot US market launch of NaturalVue MF contact lenses in 2015.

The characteristics of the NaturalVue MF contact lens positions Visioneering to address two of the largest eye-care markets globally: adults with Presbyopia (an age-related condition resulting in difficulty in reading, computer use and other up-close activities) and children with Myopia (nearsightedness, or difficulty seeing distant objects). For Presbyopia, clinical trials have shown that NaturalVue MF contact lenses are strongly preferred to other widely used Presbyopia solutions, providing superior near, intermediate and distant vision as compared to currently marketed contact lenses, while being much easier to fit by eye care professionals. For paediatric Myopia, clinical trials in children have found that NaturalVue MF contact lenses correct vision and address the generally recognised optical risk factors thought to lead to the worsening of Myopia in children over time.

Visioneering has obtained 510(k) Clearance by the FDA for the correction of refractive errors using its NaturalVue contact lenses. A successful 2015 US pilot launch of NaturalVue MF contact lenses generated strong interest from both eye care professionals and patients in the US, with the Company unable to service and meet customer enquiry and demand with its limited sales, marketing and customer support infrastructure. With commercial scale manufacturing, warehousing and fulfilment arrangements now in place, Visioneering is poised to commence a broader commercial roll-out of its NaturalVue MF contact lenses across the US, as well as pursue additional global markets.

Visioneering is seeking to raise approximately A$33.3 million (approximately US$25.0 million) in an initial public offering in Australia. Securities in Visioneering (CHESS Depositary Interests) will then be listed on the Australian Securities Exchange. The proceeds of the Offer will be used to ramp up our commercialisation and sales efforts in the US, to extend our contact lens product offerings, and to expand into international markets.

Visioneering is led by an experienced management team and Board of Directors with extensive knowledge and experience across the business, scientific and engineering aspects of successful medical device commercialisation and a proven track record in the eyecare, pharmaceutical and finance industries.

While an investment in Visioneering involves a number of risks, as described in this Prospectus, it also represents an opportunity to be part of bringing to market an innovative new way of addressing two of the most significant vision problems globally and to share in Visioneering's exciting future.

On behalf of the management team and my fellow Directors, I encourage you to read this Prospectus in its entirety. If you decide to invest, we all look forward to welcoming you as an investor in Visioneering.

Yours sincerely,

Fred Schwarzer
Chairman

01.

Investment overview

01. Investment overview

1.1 Introduction

For more information

Company overview

Visioneering is a medical device company that was incorporated in 2008 in the US State of Delaware. Its head office is based in the US State of Georgia. The Company's principal activity is the design, manufacture, sale and distribution of its proprietary NaturalVue™ Multifocal 1 Day (**NaturalVue MF**) contact lenses for adults with Presbyopia (an age-related condition resulting in difficulty seeing near objects) and children with Myopia (difficulty seeing distant objects).

Visioneering has developed the NaturalVue MF contact lens, which Visioneering believes is one of the most significant innovations in the optical design of Multifocal contact lenses in over two decades. The result is a Multifocal contact lens that provides Presbyopia patients with superior near, intermediate and distance vision and which is much easier for eye care professionals to fit to their patients (see Section 3.3.3).

The Company's NaturalVue MF contact lenses are also now being used by eye care professionals for Myopia correction in children. Whilst the degree of paediatric Myopia correlates to a 2- to 16-fold higher lifetime risk of developing severe eye problems, there are currently no treatments broadly available and adopted for addressing Myopia progression. NaturalVue MF contact lenses have been shown in clinical trials to simultaneously correct vision for children with Myopia, as well as address the generally recognised optical risk factors thought to be related to Myopia Progression in children.

NaturalVue contact lenses are already cleared by the FDA, and in the first half of 2015, the Company began a pilot launch of the NaturalVue MF contact lens in the US. With only a single sales representative, the Company obtained strong early sales momentum, and generated more demand than the Company was able to meet with its current infrastructure.

The Company has commercial scale manufacturing, warehousing and fulfilment arrangements in place which, in addition to the successful pilot launch, have positioned the Company well to drive a broader commercial roll-out of its NaturalVue MF contact lenses across the US. Over time, the Company also plans to enter non-US markets through distribution arrangements and to extend its contact lens product lines.

Section 3

1.2 Investment overview and details of the Offer

For more information

What are the key investment highlights?

NaturalVue MF contact lenses used for major unmet needs in Presbyopia and Myopia

Multifocal contact lenses currently available on the market for Presbyopia generally offer largely undifferentiated optical designs and suffer from major shortcomings when addressing Presbyopic patients.

Visioneering believes their NaturalVue MF contact lenses represent one of the most significant innovations in the optical design of Multifocal contact lenses in over 20 years and significantly improve upon currently marketed Multifocal contact lenses by providing superior near, intermediate and distance vision and being much easier to fit fit (see Section 3.3.3). NaturalVue MF contact lenses were shown in a recent pre-marketing evaluation trial to be strongly preferred over the other generally used Presbyopia solutions.

Sections 3.3 and 3.4

1.2 Investment overview and details of the Offer

For more information

What are the key investment highlights? continued

NaturalVue MF contact lenses are now also being used by some eye care professionals for Myopia correction in children. Whilst the degree of paediatric Myopia correlates to a 2- to 16-fold higher lifetime risk of serious eye diseases, there are currently no treatments broadly available and adopted for addressing Myopia Progression in children.

Sections 3.3 and 3.4

NaturalVue MF contact lenses have been shown in clinical trials to simultaneously correct vision for children with Myopia, as well as address the generally recognised optical risk factors thought to be related to Myopia Progression in children.

Large existing markets

Presbyopia

In the US alone, there are more than 152 million people over the age of 40, of which approximately 65%, or 99 million, use some form of vision correction. The Company estimates that the current addressable market in the US for Multifocal contact lenses for Presbyopes is at least US$3.4 billion per year.

Section 2.2.3

Paediatric Myopia

Paediatric Myopia has undergone explosive growth on a global scale over the past four decades and has become a major worldwide eye health issue. The Company estimates that there is an addressable market in the US for addressing paediatric Myopia Progression of approximately US$2.0 billion per year.

Section 2.2.4

US regulatory clearance in place

NaturalVue contact lenses have been cleared by the FDA for the correction of refractive errors.

Section 3.5.1

Successful US pilot launch underpinned by strong demand and repeat purchasing

In the first half of 2015 the Company began a US pilot launch of the NaturalVue MF contact lenses with just one field sales representative. Within 12 months, demand for NaturalVue MF contact lenses far outpaced the Company's ability to meet or service interested customer volumes, with over 40 customer accounts established and several hundred patients being prescribed and purchasing NaturalVue MF contact lenses. Of the patients who had been using NaturalVue MF contact lenses long enough to use up their initial supply, over 90% had re-ordered the product. By mid 2016, the Company had over 400 new customer requests, with demand well exceeding the Company's ability to respond or service with its then infrastructure.

Section 3.6

US launch already underway and planned to rapidly accelerate

With manufacturing and fulfilment logistics established, in the second half of 2016, the Company raised US$10.3 million from US, Asian and Australian institutional and sophisticated investors. The additional funds enabled the Company to recruit a Senior Vice President of Sales and Marketing (Tony Sommer, formerly head of sales for competitor Bausch & Lomb's US Vision Care division) and five additional sales personnel, as well as build its contact lens inventory for broadening its US launch. Results were seen quickly, with customer account numbers growing rapidly in the second half of 2016 to over 130 Active Accounts by the end of 2016. The Company plans a further nine-fold increase of its US sales team, from 5 to 45 direct sales representatives throughout the 12 months following Listing.

Sections 3.1, 3.2 and 3.6

1.2 Investment overview and details of the Offer

For more information

Strong register of supportive institutional investors

To date, approximately US$28.1 million has been invested in Visioneering with the Company's investors including highly regarded healthcare-focused institutional investment funds in the US as well as a number of institutional and sophisticated investors in Australia.

Sections 3.1 and 11.2

Experienced and successful Board and management team

Visioneering's Board and management team is composed of highly credentialed medical device industry and business professionals with a wealth of collective experience in successful commercialisation of medical devices and vision correction products.

Sections 6.1.1 and 6.2

What are the key investment risks?

You should consider the risk factors described below, together with information contained elsewhere in this Prospectus, and the detailed discussion on the risks as set out in Section 4 before deciding whether to apply for CDIs offered under this Prospectus. An investment in a medical device company, such as Visioneering, involves substantial investment risk and you should consult your professional advisors before deciding whether to apply for CDIs.

Acceptance risk

To achieve commercial success, Visioneering is reliant on eye care professionals accepting and recommending its products, particularly its lead product, NaturalVue MF contact lenses. If a significant number of eye care professionals in the US do not agree to sell and recommend NaturalVue contact lenses to their patients, this would adversely impact or delay Visioneering's ability to generate revenue and achieve profitability.

Competition risk

The contact lens market is competitive with four key players dominating the global market. If Visioneering is unable to secure market share for its NaturalVue contact lenses in the US, this could have a material adverse effect on its business, financial condition and results of operations.

New or competing contact lens innovations

New or competing contact lens products could emerge that might offer better vision performance or more effective Myopia Progression control than NaturalVue MF contact lenses. Although Visioneering is not aware of any other Multifocal products which it believes are comparable to NaturalVue MF contact lenses; there have been, and there continues to be, a number of efforts made by competitors to offer new solutions for Presbyopia, Myopia and Astigmatism. Competitors may commercialise contact lens products in the future that compete with NaturalVue MF contact lenses.

Section 4

Single manufacturer risk

Visioneering's reliance on a single outsourced contract manufacturer involves a number of risks. Any disruption to the manufacturer's operations could cause a significant business disruption to Visioneering. If Visioneering needed to replace its manufacturer for any reason, Visioneering would require approximately nine months to identify and establish supply arrangements with a new manufacturer.

Sales and marketing risk

Visioneering has a small sales team and will need to commit significant resources to further developing its sales, marketing and distribution network. There is a risk that Visioneering will be unable to expand its sales, marketing and distribution resources effectively, which would adversely affect Visioneering's ability to expand its business and generate sales for its contact lenses.

1.2 Investment overview and details of the Offer

For more information

What are the key investment risks? continued

International regulatory risk

Visioneering's international growth strategy is dependent on obtaining clearances or approvals from regulatory bodies in jurisdictions outside of the US. Despite receiving regulatory clearance in the US, Visioneering is not assured of receiving all necessary regulatory clearances and approvals in other jurisdictions.

Awareness risk

Part of Visioneering's business strategy in relation to paediatric Myopia relies on there being robust data supporting the efficacy of NaturalVue MF contact lenses which is published in peer-reviewed medical literature. If Visioneering 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 Visioneering expects.

Additional product offering risk

Visioneering's additional product offerings, Toric contact lenses for Astigmatism and Multifocal Toric contact lenses for Astigmatism and Presbyopia, are still in the development stage. If Visioneering is unsuccessful in developing and commercialising these products, its ability to increase its revenues in the future may be impaired.

In addition, if Visioneering had to replace its manufacturer for any reason (see 'Single manufacturer risk'), Visioneering may need to redesign the Toric lens system which is proposed to be used in its Toric and Multifocal Toric products, which could cause delay in obtaining these products.

Section 4

Reliance on NaturalVue MF contact lenses

Visioneering is not currently profitable. Visioneering 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. Visioneering may not be able to generate sufficient revenues or product margins to achieve profitability.

International marketplace risk

As Visioneering's contact lenses are manufactured in Taiwan, Visioneering 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.

Visioneering also intends to sell its products in international markets. There can be high compliance costs associated with complying with overseas laws and regulations.

Intellectual property risk

The protection of the intellectual property relied upon by Visioneering is critical to its business and commercial success. If Visioneering is unable to protect or enforce its intellectual property rights, there is a risk that other companies will incorporate the intellectual property into their technology, which could adversely affect Visioneering's ability to compete in the contact lens market.

Additional or different requirements for capital

Visioneering may decide to use the proceeds of the Offer differently to its current plans or may need to obtain additional funding in the future (or both), including if there is slower than anticipated market adoption of NaturalVue contact lenses in the US.

1.2 Investment overview and details of the Offer	For more information
What is Visioneering's business plan?	Section 3.7
US commercial roll-out of NaturalVue contact lenses The Company plans to grow its US sales team from five direct sales representatives to approximately 45 direct sales representatives over the first 12 months after Listing. New sales representatives will focus on converting eye care professionals to NaturalVue MF products for their Presbyopia and paediatric Myopia patients, and will follow the Company's marketing strategy which centres on: • converting pent up demand into sales; • leveraging NaturalVue's positive clinical results; • aggressively pursuing market share with the objective of establishing NaturalVue MF contact lenses as a market leading Multifocal contact lens for Presbyopia; and • driving continued awareness and publication of NaturalVue MF contact lenses' role in correcting Myopia and the generally recognised optical risk factors of Myopia Progression in children.	Section 3.7.1
International expansion The Company plans to expand into additional international markets through partnerships with leading vision care product distributors in each region it enters. Asia is expected to be a region of important focus in the Company's future international expansion, given the region's high prevalence of paediatric Myopia. In addition, the Company is also currently preparing for CE Marking and TGA approval, with a view to receiving both in the second half of 2017.	Section 3.7.2
Line extensions and additional products Visioneering has several line extensions and additional products in development or already in the market. These are: • NaturalVue™ Multifocal 1 Day contact lens power range extension; • NaturalVue™ Sphere 1 Day contact lenses; • NaturalVue™ Toric 1 Day contact lenses; and • NaturalVue™ Multifocal Toric 1 Day contact lenses.	Section 3.7.3

1.2 Investment overview and details of the Offer

For more information

What is the Offer?

The Offer is an initial public offering by invitation to acquire a total of 79,365,079 CDIs at A$0.42 per CDI. CDIs will represent shares of Class A common stock in Visioneering, with each CDI representing an interest in one Share.

The Offer comprises:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom,
- the Broker Firm Offer, which is open to Retail Investors in Australia who have received a firm allocation from their broker; and
- the General Public Offer, which is open to Retail Investors in Australia.

The Offer Price is A$0.42 per CDI. The Company expects the gross proceeds of the Offer to be approximately A$33.3 million (approximately US$25.0 million).

Section 7.1

Is the Offer underwritten?

The Offer is fully underwritten by the Lead Manager.

Sections 7.7 and 12.4

What is the effect of the Offer on the capital structure of the Company?

The table below sets out Visioneering's indicative capital structure immediately prior to and immediately following the Offer.

	Pre-Offer number of securities[1]	Post-Offer number of securities
Shares held by Existing Holders (including Shares/CDIs to be issued before Listing on conversion of existing Convertible Notes and accrued interest)[2,3]	118,996,552	118,996,552
Shares/CDIs to be issued to new investors under the Offer	–	79,365,079
Total Shares (undiluted basis)[3]	118,996,552	198,361,631
Options[4]	11,543,074	11,543,074
Total Shares (fully-diluted basis)[3]	130,539,626	209,904,705

1 Assumes the Restructuring has occurred (see Section 11.4).

2 Does not include Shares or CDIs which the Existing Holders may subscribe for under the Offer. The number of Shares or CDIs to be issued is indicative as it assumes a conversion price for Convertible Notes and accrued interest based on an Offer Price of A$0.42 per Share/CDI and the Indicative Exchange Rate applying), and a conversion date of 22 March 2017. The Convertible Notes and accrued interest will convert at a conversion price equal to the Offer Price or a discount thereto (see Section 11.3), which is then, for all Convertible Notes other than the Australian Notes, converted into US dollars at the prevailing A$:US$ exchange rate.

3 Equivalent to the same number of CDIs. Number of Shares is indicative as final numbers depend on the number of Shares issued on conversion of Convertible Notes and accrued interest – see in note 2 above.

4 Assumes no change to the number of Options held pre-and post-close of Offer.

Section 11.2.1

1.2 Investment overview and details of the Offer

For more information

How will the proceeds (and existing cash reserves) be used?

Visioneering expects to receive approximately A$33.3 million (approximately US$25.0 million) of gross proceeds from the Offer and has cash reserves of approximately US$4.3 million (or approximately A$5.7 million) as at the Original Prospectus Date. The table below sets out the proposed use of proceeds from the Offer plus existing cash reserves.

Sources of funds			**Use of funds**		
$'000s	**US$**	**A$**	**$'000s**	**US$**	**A$**
Estimated cash reserves as at Original Prospectus Date	4,288	5,717	Sales and marketing expansion	11,872	15,829
Offer	25,000	33,333	Additional clinical trials and regulatory costs	2,816	3,755
			Capital expenditure for manufacturing, and additional distribution costs	2,680	3,573
			Costs of the Offer	2,057	2,743
			Subtotal	**19,425**	**25,900**
			Public company costs and working capital	9,863	13,150
Total	**29,288**	**39,050**		**29,288**	**39,050**

Section 7.2.1

The use of funds shown above represents Visioneering's current intentions based upon Visioneering's present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend on numerous factors, including the timing and success of Visioneering's broader US commercial roll-out and revenue from sales.

1.2 Investment overview and details of the Offer

For more information

What are the key dates of the Offer?

The key dates for the Offer are as follows:

Event	Target date
Date Original Prospectus lodged with ASIC	16 February 2017
Opening Date for Applications	2 March 2017
Closing Date for Applications (at 5.00pm, Sydney time)	16 March 2017
Expected Allotment Date for the CDIs	22 March 2017
Despatch of holding statements	23 March 2017
Commencement of trading on a normal settlement basis on the ASX	27 March 2017

The above dates and times are indicative only. The Company reserves the right to vary these dates and times, which includes closing the Offer early, extending the close of the Offer, or accepting late Applications, either generally or in particular cases, without notifying any recipients of this Prospectus or any Applicants. Any variations to the dates and times of the Offer will require the consent of the Lead Manager (not to be unreasonably withheld).

How can I apply for CDIs?

Broker Firm Offer

If you are a Retail Investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the relevant Application Monies, with the broker from whom you received your firm allocation.

General Public Offer

If you are a Retail Investor applying under the General Public Offer, you may apply for CDIs by visiting www.vtivisioninvestors.com and following the prompts. You can only pay for CDIs under the General Public Offer using BPAY®.

Section 7.4

What are CDIs?

The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. Visioneering is incorporated in the State of Delaware in the US, which does not recognise the CHESS system of holding securities. Accordingly, to enable companies such as Visioneering to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs are units of beneficial ownership in Shares and are traded in a manner similar to shares of Australian companies listed on the ASX.

Due to certain US securities laws, you will not be able to sell CDIs issued to you under the Offer into the US or to US Persons for a period of at least 12 months from the Allotment Date, unless the resale of the CDI is registered under the US Securities Act or an exemption is available.

Section 11.5

1.2 Investment overview and details of the Offer	For more information
Will the CDIs be listed? Visioneering has applied to be admitted to the Official List of the ASX and for the CDIs to be granted official quotation on the ASX under the ticker 'VTI'. If Visioneering is not admitted to the Official List and the CDIs are not granted official quotation within three months after the Original Prospectus Date (or any other date permitted by law), all Application Monies will be refunded to Applicants (without interest) as soon as practicable.	Section 7.10
What are the tax implications of investing in CDIs under the Offer? The tax implications of the Offer will depend on the individual circumstances of the Applicant. Applicants should obtain their own tax advice prior to investing.	Section 10
Where do I find out more information about this Prospectus or the Offer? Section 7 contains further information about the Offer, including an explanation of the allocation policy under the Offer and the minimum application size (in Section 7.3). In addition, you can call the Offer Information Line on 1300 646 967 (within Australia) or +61 3 9415 4019 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Offer Period.	Section 7.13

1.3 Experience and background of the Directors and Key Managers	For more information
Who are the Directors of Visioneering and what is their expertise? Upon the completion of the Offer, the Directors will be as follows. **Dr Stephen Snowdy** Chief Executive Officer and Executive Director • Dr Snowdy initially joined the Board of Visioneering as Chairman in May 2009 and has served as Chief Executive Officer since June 2013. • Dr Snowdy has 13 years' experience in life science investing and executive management. Since 2010, Dr Snowdy has been the owner of Ansley Venture Consulting, LLC, a consulting and management firm for life science ventures. **Mr Fred Schwarzer** Chairman of the Board and Non-executive Director Member of the Nomination and Remuneration Committee • Mr Schwarzer is a Managing Partner at Charter Life Sciences, a US venture capital investment firm, where he focuses on life sciences investments. He has led investments by Charter Life Sciences in a number of biopharmaceutical and medical device companies, including Inviragen, Inc. (acquired by Takeda Pharmaceuticals). • Mr Schwarzer currently serves on the boards of Amaranth Medical, Inc., Great Lakes Pharmaceuticals, Inc., Health Fidelity, Inc., IGM Biosciences, Inc., Kereos, Inc. and Mirabilis Medical, Inc.	Section 6.1.1

1.3 Experience and background of the Directors and Key Managers

For more information

Who are the Directors of Visioneering and what is their expertise? continued

Mr Gary Stevenson

Non-executive Director

Member of the Audit and Risk Committee

- Mr Stevenson is Co-Founder and Managing Partner of MB Venture Partners, a US venture capital investment firm, which focuses on life sciences investments. He has led investments by MB Venture Partners in a number of medical device and biotechnology companies, including BioMimetic Therapeutics, which completed its US initial public offering in 2006 and was later acquired by Wright Medical in 2013 for US$380 million.
- Mr Stevenson has over 20 years' experience in health care investment banking and research and is currently a director of a number of companies in the life sciences sector. He also spent seven years in a variety of general management roles with Abbott Laboratories.

Ms Christine Van Heek

Non-executive Director

Chair of the Audit and Risk Committee and member of the Nomination and Remuneration Committee

- Ms Van Heek is Managing Partner at Bio Point Group, LLC, a US-based life sciences consulting group. Ms Van Heek also currently serves as a director of Concert Pharmaceuticals, Inc., a NASDAQ-listed biotechnology company.
- Ms Van Heek previously served as Vice President of Global Marketing for Genzyme and has served as an adviser to several companies in the bio-pharmaceutical industry.

Section 6.1.1

Ms Zita Peach

Non-executive Director

Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Committee

- Ms Peach has more than 30 years of commercial experience in the pharmaceutical, biotechnology, medical device and healthcare sectors. Ms Peach has held senior roles in marketing, commercialising products and technologies, business development, licensing and mergers and acquisitions.
- Ms Peach currently serves on the boards of ASX-listed Starpharma Holdings Limited (ASX: SPL), Monash IVF Group Limited (ASX: MVF) and AirXpanders, Inc. (ASX: AXP). She also holds board positions with Bionic Vision Technologies Pty Ltd, Vision Eye Institute Limited and Hudson Institute of Medical Research.

1.3 Experience and background of the Directors and Key Managers

For more information

Who are the Key Managers of Visioneering and what is their expertise?

Dr Stephen Snowdy

Chief Executive Officer

- Refer to Dr Snowdy's biography above.

Mr Tony Sommer, Jr.

Senior Vice President Sales and Marketing

- Mr Sommer has 20 years' experience in sales and marketing management, including a number of years' experience in the eyecare industry. Mr Sommer previously served as head of sales for Bausch & Lomb's US Vision Care division.

Dr Sally Dillehay

Chief Medical Officer, Vice-President, Clinical and Regulatory Affairs, Corporate Secretary

- Dr Dillehay has 35 years' experience in research, statistics and clinical trials in eye and vision care. Dr Dillehay previously spent over 15 years at CIBA Vision, serving in various senior roles, including as Director of Medical Marketing and Clinical Claims Research where she led 100+ clinical trials.

Ms Rosa Lee

Executive Director of Manufacturing and Engineering

- Ms Lee has 14 years' experience in product development in the eyecare industry, including almost 12 years' experience in ophthalmic product development at Bausch & Lomb and another two years at SynergEyes, Inc.

Ms Judith Vitale

Chief Financial Officer

- Ms Vitale is the founder and president of Vitale CFO, providing part-time and interim CFO services to small and mid-sized companies. She has over 25 years of experience in financial, accounting and operational management and has served as CFO of a number of companies.

Section 6.2

Medical Advisers

Visioneering is supported by a number of eye care professionals across the United States who are experts in their field.

- Tim Poling, OD, Botetourt Eye Care, Virginia;
- Doug Benoit, OD, FAAO, Concord Eye Center, New Hampshire;
- Jeffrey Cooper, OD, FAAO, Cooper Eye Care, New York;
- Alan Glazier, OD, FAAO, Shady Grove Vision Care, Maryland;
- Brett O'Connor, OD, Pullen Eye Care, Florida;
- Richard Griffin, OD, Griffin Eye Care, Florida; and
- Lisa Heuer, OD, Valley Vista Eye Care, California.

Section 6.4

1.4 Significant interests of key persons

For more information

What significant benefits and interests are payable to the Directors and other persons connected with Visioneering or the Offer?

Key people	Interest or benefit	For more information
CEO	Remuneration and other non-cash benefits, including stock awards under the Company's equity incentive plans	Section 6.5.2
Other Key Managers	Remuneration and other non-cash benefits, including stock awards under the Company's equity incentive plans	Section 6.5.7
Independent non-executive Directors	Director fees and stock awards under the Company's equity incentive plans	Section 6.5.3
Lead Manager	Fees for services	Sections 6.5.9 and 12.4.1
Other advisers	Fees for services	Section 6.5.9

Who are the Existing Holders and are they retaining an interest in Visioneering on completion of the Offer?

Existing Holders	Interest in Shares on completion of the Offer (undiluted)	For more information
Charter Life Sciences II, L.P., Charter Life Sciences (Ohio) II, L.P. and CLS II Annex Fund, LLC	25.98%	Section 11.2.3
Regal Funds Management Pty Limited	8.53%	
Memphis Biomed Ventures II, LP	7.69%	
Other Existing Holders	17.79%	

1.5 Key financial information

For more information

Summary of the historical statement of operations

The table below sets out the summarised historical statement of operations for the year ended 31 December 2014, the year ended 31 December 2015 and the year ended 31 December 2016. Further discussion regarding the summarised historical statement of operations are set out in Section 5.

		Audited	
US$'000s	**Year ended 31 December 2014**	**Year ended 31 December 2015**	**Year ended 31 December 2016**
Revenue	–	53	216
Cost of goods sold	–	(43)	(165)
Gross margin	**–**	**10**	**51**
Operating expenses	(1,682)	(2,445)	(3,696)
EBITDA	**(1,682)**	**(2,435)**	**(3,645)**
Depreciation	(3)	(6)	(20)
EBIT	**(1,685)**	**(2,441)**	**(3,665)**
Finance costs	(297)	(590)	(1,292)
Net loss before tax	**(1,982)**	**(3,031)**	**(4,957)**

Section 5

Summary of the historical and pro forma balance sheet

The table below sets out the summarised audited and pro forma balance sheet. Details of the pro forma balance sheet, including the pro forma adjustments are set out in Section 5.5.2.

As at 31 December 2016	**Audited US$'000**	**Pro forma US$'000**	**Pro forma A$'000**
Current assets	8,310	30,832	41,111
Non current assets	311	311	415
Total assets	8,621	31,143	41,526
Current liabilities	12,424	410	546
Non current liabilities	10,136	–	–
Total liabilities	22,560	410	546
Net assets	(13,939)	30,733	40,980
Stockholders' equity	(13,939)	30,733	40,980
Total liabilities and stockholders' equity	8,621	31,143	41,526

01. Investment overview

Case study

Dr Brett O'Connor, OD

Pullen Eye Care, Jacksonville, Florida, United States
Medical Adviser to Visioneering

My experience fitting the NaturalVue MF

In our busy practice, we constantly strive to maximise patient satisfaction by offering the newest and most innovative technologies while maintaining a high level of efficiency and reducing excess chair time. Due to its intuitive fitting process and the outstanding feedback I have received from patients, NaturalVue MF contact lenses have quickly become my lens of choice for multifocal contact lens fits.

One of the aspects I like most about the NaturalVue MF is its single, universal add power. Whereas traditional multifocal designs consist of multiple add designations and often require the practitioner to push plus, perform binocular over-refraction, and consult a unique fitting guide for optimisation, the NaturalVue MF lenses can be fit like a single-vision distance lens with a high level of success. Rather than pushing plus, simply selecting the appropriate vertex-corrected distance power has provided outstanding vision at distance and near for most of my patients on the very first lenses. The simplified fitting process has allowed me to streamline my multifocal fits, reducing chair time and guesswork while delivering outstanding patient satisfaction.

Due to its unique design, the NaturalVue MF has also allowed our practice to establish a growing myopia control sub-clinic. Considering the increasing prevalence of myopia in the United States, we feel this is an extremely important treatment option to be able to offer our patients. Unlike most other multifocal lenses on the market, the NaturalVue MF extended depth of focus design features distance optics in the centre of the lens. Whereas glasses and traditional contact lenses yield peripheral hyperopia (which has been identified as a risk factor for myopia progression), distance-centre multifocal lenses counteract this phenomenon with the goal of slowing myopia progression. In my opinion, the combination of the NaturalVue MF's large amount of relative plus power in the periphery and daily disposable modality create an ideal myopia control solution for young patients.

In a short period of time, the NaturalVue MF has allowed our practice to optimise multifocal contact lens fittings in a way which maximises patient satisfaction and enhances our efficiency. At the same time, it has enabled us to offer a unique treatment modality to young myopes, which differentiates us from other practices in our area. This, combined with the outstanding support I've received from the crew at Visioneering, have made the NaturalVue MF my go-to lens for symptomatic presbyopes and progressive myopes.

02.

Industry overview

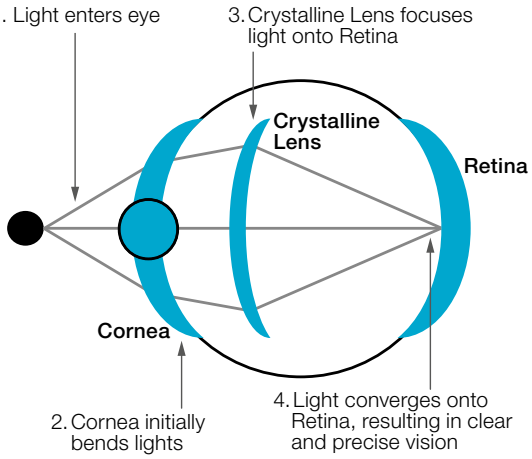
02. Industry overview

2.1 The mechanics of vision and vision correction

2.1.1 Normal vision

For humans to see clearly, light rays entering the eye at various angles must be bent, sometimes referred to as 'refracted', to converge at a single point at the back of the eye. Light rays are first bent by the Cornea, which is the clear front surface of the eye. After the light rays pass through the Cornea, they are bent a second time by the Crystalline Lens, which lies just behind the Cornea. If the eye is focusing the light correctly, the Cornea and the Crystalline Lens bend the incoming light rays so that the light rays converge precisely on the back surface of the eye (the Retina), thereby producing a clear and un-blurred image.

Figure 2.1: Normal eye function



It is the ability of the Cornea and Crystalline Lens to bend and converge the incoming light rays precisely onto the Retina, which creates the clear image. If the Cornea and Crystalline Lens bend the light rays too much or too little, the light rays converge either in front of, or behind the Retina, respectively, resulting in a blurry image that requires visual correction.

2.1.2 Vision deficiencies due to the physical length of the eye

(a) Myopia (also known as 'nearsightedness' or 'shortsightedness')

Nearsightedness, or Myopia, occurs when the light rays converge in front of the Retina. Myopic people can generally see well for close-up tasks such as reading and computer use, but have difficulty seeing more distant objects clearly without eyeglasses or contact lenses, for example road signs or stage performances. Other signs and symptoms of uncorrected Myopia include squinting, eye-strain and headaches, and may also include feeling fatigued when driving or playing sports.

Myopia occurs when the eyeball is too elongated relative to the focusing power of the Cornea and Crystalline Lens of the eye. In Myopia, light rays entering the eye are over-bent (bent at too high an angle relative to the length of the eye) by the Cornea and Crystalline Lens, resulting in the light rays converging in front of the Retina instead of directly on the Retinal surface, thereby creating blur for distant objects. A patient with Myopia is prescribed a 'minus' powered corrective lens, which reduces the angle of the light rays entering the eye, thereby moving the convergence point of the light rays back to the Retina surface.

Figure 2.2: Myopia without vision correction

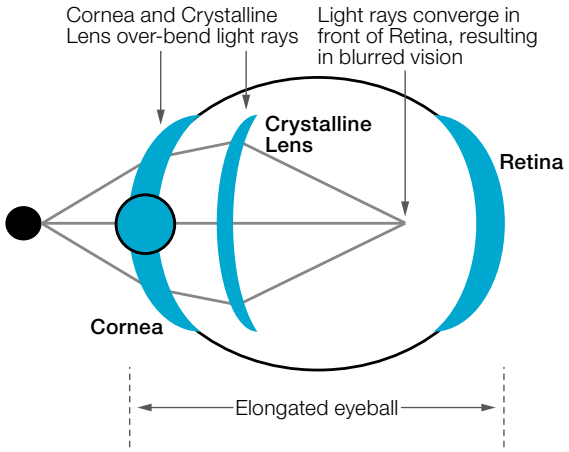
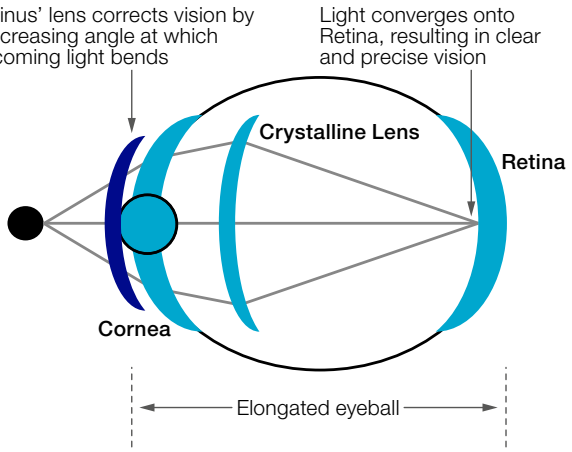


Figure 2.3: Myopia with 'minus' vision correction

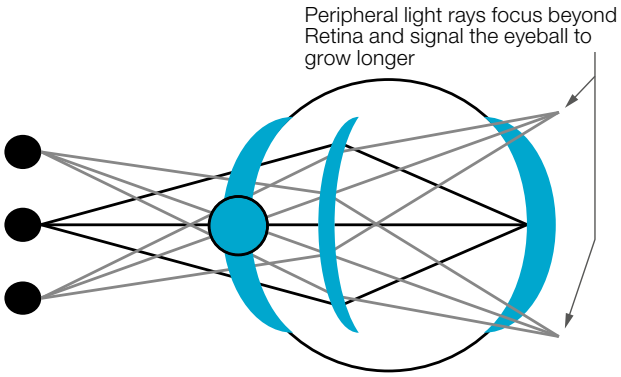


Myopia typically shows up in early childhood, and progressively worsens until it stabilises in early adulthood (usually 18-25 years of age). The worsening of Myopia throughout childhood and adolescence is known as 'Myopia Progression'. It is currently understood that one of the most significant optical risk factors for Myopia Progression is a condition known as 'Peripheral Hyperopia'.

In Peripheral Hyperopia, peripheral light rays converge behind the Retina, signalling the eye to grow in length. Minus lenses are employed to correct the Myopia at the centre of the Retina to provide clear distance vision, but a by-product of this central correction is that the peripheral light rays at the edge of the eye are now moved behind the Retina, which in turn re-establishes a growth signal and consequently, leads to the lengthening of the eyeball. This cycle of central correction leading to eye growth repeats itself over and over, resulting in higher and higher amounts of Myopia.

Two additional matters considered to be optical risk factors for Myopia Progression both deal with the amount and accuracy of the eye's ability to focus (called accommodation). When the eye is tasked with focusing for extended periods of near work, which is common in Myopic school-age children, the eye can become stressed and not focus accurately. This lack of accurate focusing can create additional Peripheral Hyperopia that is also thought to contribute to Myopia Progression.

Figure 2.4: Peripheral Hyperopia and Myopia Progression



02. Industry overview

Myopia Progression in children is a serious medical problem, as the degree of Myopia a child develops correlates to a 4- to 16-fold increase in the risk of Retinal Detachment, a 2- to 5-fold increase in the risk of cataracts, and a 4-fold increase in the risk of glaucoma.

The extent of the increased risk is correlated with the severity of the Myopia.

Recently, the World Health Organization cited that under-corrected Myopia is the most common cause of visual impairment globally. There are currently only limited accepted methods for controlling Myopia Progression.

(b) Hyperopia (also known as 'farsightedness')

Hyperopia, or farsightedness, occurs when the light rays converge behind the Retina due to the length of the eye. Hyperopic people can generally see well for distance tasks (for example road signs or stage performances), but have difficulty seeing close objects clearly without eyeglasses or contact lenses, for example reading books and computer use.

Hyperopia occurs when the eyeball is too short relative to the focusing power of the Cornea and Crystalline Lens of the eye. In Hyperopia, light rays entering the eye are under-bent (bent at too low an angle relative to the length of the eye) by the Cornea and Crystalline Lens, resulting in the light rays converging behind the Retina instead of directly on the Retinal surface, thereby creating blur for close objects. Farsightedness usually is present at birth and tends to run in families. A patient with Hyperopia is prescribed a 'plus' powered corrective lens, which increases the angle of the light rays entering the eye, thereby moving the convergence point of the light rays forward to the Retina surface.

Figure 2.5: Hyperopia without vision correction

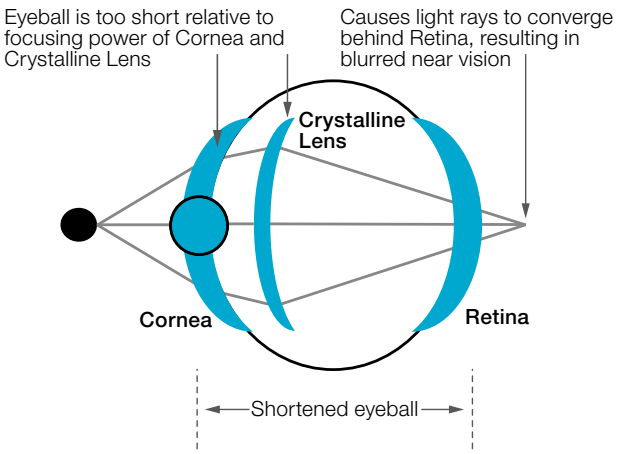
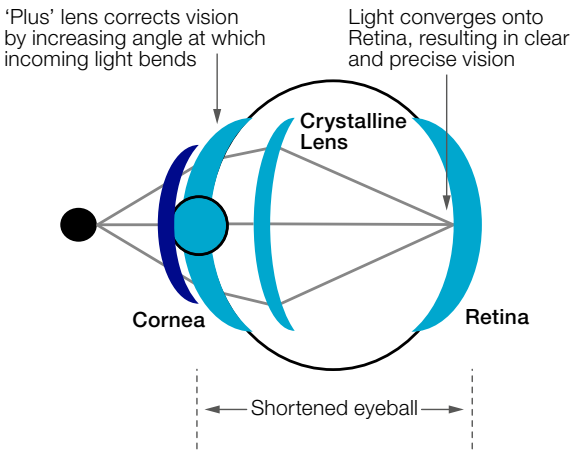


Figure 2.6: Hyperopia with vision correction



2.1.3 Presbyopia – age related loss of near vision

Presbyopia is characterised by an age-related progressive loss of the ability to see things that are near. Presbyopia usually begins in a patient's 40s. This affects close-up tasks such as reading or working at the computer. Most people become Presbyopic around the age of 40, even if they have never had a vision problem previously. People who were previously wearing eyeglasses or contact lenses for their Myopia or Hyperopia will also start to notice that their near vision blurs when they wear their usual eyeglasses or contact lenses. Presbyopia typically continues to worsen until around the age of 60.

Presbyopia predominantly arises from a stiffening and weakening of the eye's Crystalline Lens with age. When a person is looking at something up close, light rays enter the eye at a high angle. In a younger person, the eye's Crystalline Lens is flexible and strong, rapidly changing shape to bend those high-angle light rays so that they converge precisely where they are supposed to: on the surface of the Retina (producing a clear image). However, as we age, the Crystalline Lens stiffens and weakens, and is unable to sufficiently bend the high-angle incoming light rays. As a result, the incoming light rays

converge at a point behind the Retina, thereby creating a blurred image for near vision. A patient with Presbyopia is prescribed a 'relative plus' powered corrective lens (plus relative to their pre-Presbyopia prescription), which increases the angle of the bend, thereby moving the convergence of the light rays forward to the Retinal surface.

For a person who, prior to developing Presbyopia, already has Myopia or Hyperopia due to the length of the eye, Bifocal or Multifocal lenses will be prescribed, containing both an area of 'minus' power (to correct the Myopia) or 'plus' power (to correct the Hyperopia) as well as an area of 'relative plus' power to correct the Presbyopia arising from age.

Figure 2.7: Presbyopia without vision correction

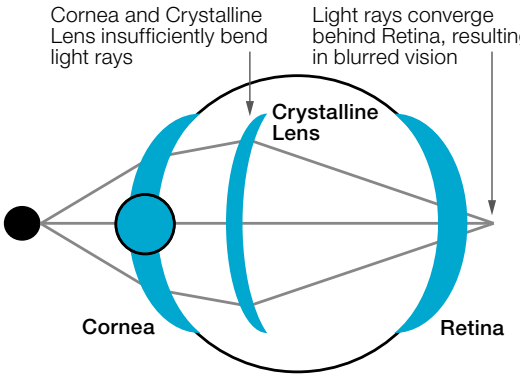
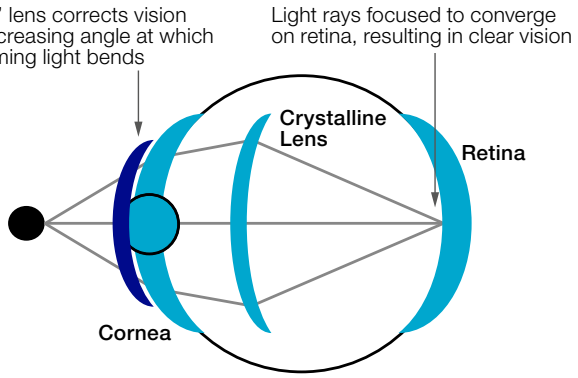


Figure 2.8: Presbyopia with 'relative plus' vision correction

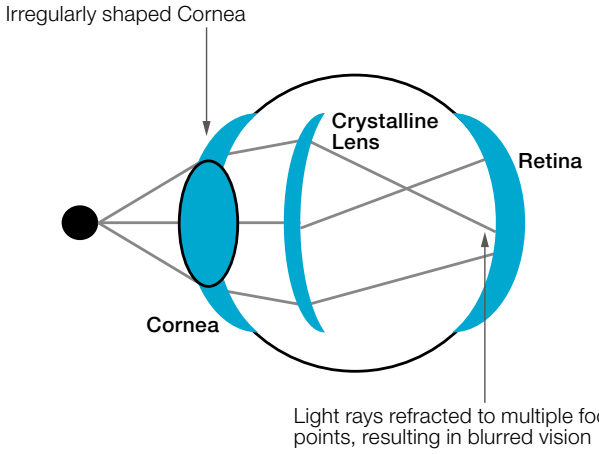


2.1.4 Astigmatism

Astigmatism is another refractive condition that affects how the eye focuses incoming light.

In an eye with Astigmatism, rather than the Cornea and Crystalline Lens causing incoming lights rays to converge on a single focal point on the surface of the Retina, the eye produces multiple focal points either in front of or behind the Retina, or both in front of and behind the Retina. Astigmatism is usually caused by an irregularly shaped Cornea. Instead of the Cornea having a uniformly round shape (like a tennis ball), it has a more oval shape in astigmatic patients (like a football), causing the incoming light to refract unevenly within the eye with no single point of convergence.

Figure 2.9: Astigmatic vision



Astigmatism can be corrected with a prescription for 'cylindrical' or 'toric' vision correction lenses, which corrects the eye's refraction of incoming light to a single focal point.

2.2 Contact lens market for vision correction

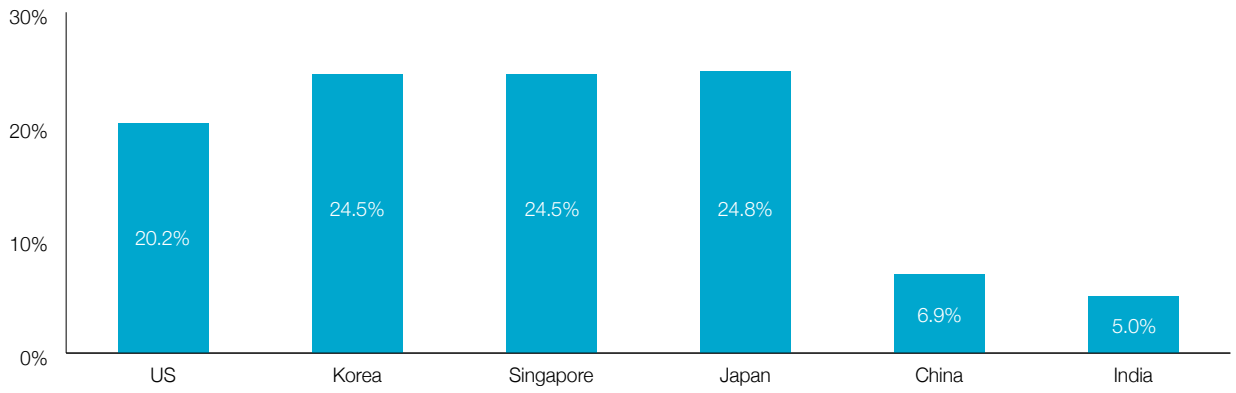
2.2.1 Contact lens market overview

Close to 65% of the world population are estimated to be living with some form of visual disability. Accordingly, the global market for vision correction is exceptionally large, estimated to exceed US$115 billion.

In the United States, vision correction is one of the largest markets in healthcare, with around 200 million people either using or needing vision correction, and spending almost US$40 billion per year on primary eye care. Of the patients in the US who could benefit from vision correction, approximately 60% use eyeglasses, 20% use contact lenses and 0.25%, undergo corrective surgery. The remainder either have issues that cannot be addressed, or are mild enough that they can go unaddressed.

The total international wholesale market for corrective contact lenses is estimated to be US$9 billion per annum, with the US accounting for approximately US$3 billion of that total. Market penetration of contact lenses is highest in western countries and developed Asian countries. In major developing countries such as China and India, contact lens usage is in its early stages, but is growing rapidly.

Figure 2.10: Contact lens penetration of vision correction market by country[1]



Source:

1 2015 estimate, Global Industry Analysts, Inc., Contact Lenses and Solutions – A Global Strategic Report (May 2016).

2.2.2 Types of contact lenses

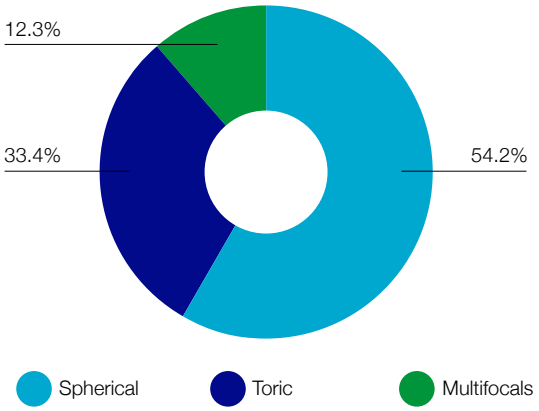
Contact lenses are used to correct vision in patients who suffer from a variety of vision disorders.

Contact lenses for vision correction may be broadly categorised into three different types, based upon their optical design and functionality, as outlined in the table below.

Optical design	Function of contact lens
Spherical	Optically simple lenses containing a single plus or minus prescription throughout the lens for either Myopia correction or for Hyperopia correction.
Toric	Optically complex lenses containing prescription for cylindrical correction of Astigmatism.
Multifocal (MF)	Optically complex lenses containing prescriptions for simultaneously correcting: • Myopia or Hyperopia; and • Presbyopia. The Multifocal Toric lens is a type of Multifocal lens with the most optically complex design combining the optics of Multifocal and Toric into a single lens.

In the US contact lens market in 2016, Spherical contact lenses were estimated to account for approximately 54% of the wholesale market by revenue, followed by Toric contact lenses and Multifocal contact lenses, with respective market shares of approximately 33% and 12% (see Figure 2.11 below). The Company believes that the relatively low rate of Multifocal contact lens usage is partially driven by the shortcomings of currently available Multifocal contact lenses (see Section 3.3.1) resulting in only a low percentage of Sphere contact lens wearers continuing to wear contact lenses after they become Presbyopic. This highlights the large market opportunity for a better performing Multifocal contact lens.

Figure 2.11: 2016 wholesale market share by contact lens type[1]



Source:
1 IBISWorld – Contact Lens Manufacturing in the US (June 2016).

Contact lenses can come in either hard (known as Rigid Gas Permeable) or soft form. More than 90% of all contact lenses used in the US are soft contact lenses, with hard contact lenses constituting more of a niche market.

Soft contact lenses are offered with differing replacement schedules (including monthly, two-weekly or daily replacement) to provide patients with differing levels of comfort and to address certain aspects of eye health. Daily disposables are strongly preferred by eye care professionals in many regions of the world, with convenience, comfort, eye health and patient satisfaction believed to be the main drivers of their preferred use. Currently, in the US, the market share of monthly contact lenses is about 40% and the market share of two-weekly and daily contact lenses is about 30% each. However, daily disposable contact lens use has grown rapidly from 11% in 2009 to approximately 30% in 2015, and represents the fastest growing contact lens category in the US market.

Since the introduction of Toric and Multifocal contact lenses in the late 1990s, innovation in corrective soft contact lens technology has been mainly limited to advancements in materials and wetting agents. While these enhancements have enabled the development of new contact lenses with improved comfort and convenience, there has been little innovation in the optical design or improvement in the functionality of contact lenses in over 20 years.

2.2.3 Addressable market for Multifocal contact lenses for Presbyopia in the US

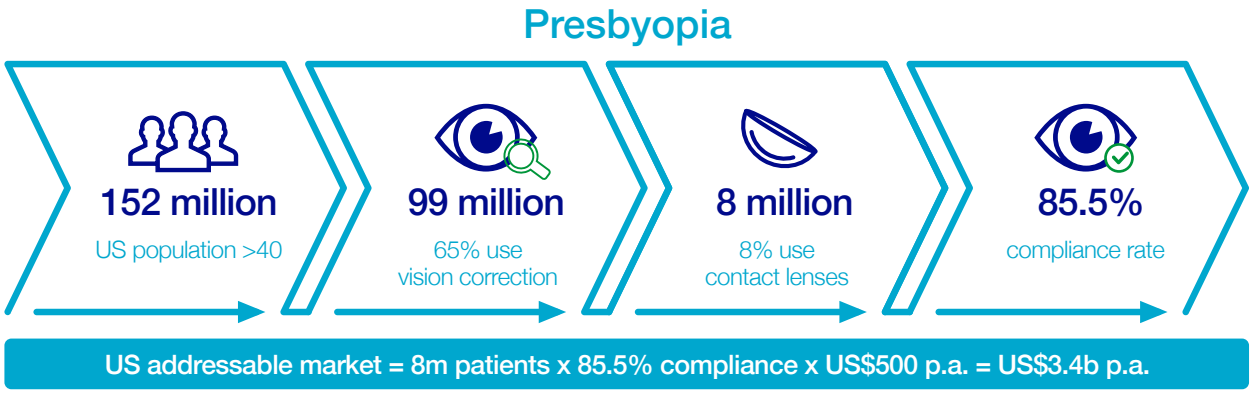
Most people become Presbyopic around the age of 40, and the condition worsens with age, typically until around the age of 60. Unsurprisingly, Presbyopia is estimated to affect approximately 1.7 billion people worldwide.

In the US alone, there are more than 152 million people over the age of 40, of which approximately 65%, or 99 million, use some form of vision correction. It is estimated that 8% of vision-corrected Presbyopes in the US (approximately 8 million people) currently use some form of contact lenses. The majority of contact lens wearing Presbyopes do not wear Multifocal contact lenses, but rather continue to wear the Sphere contact lenses they were wearing prior to becoming Presbyopic (e.g. for correction of Myopia), supplemented by reading glasses for their near vision problems arising from their Presbyopia, or in a monovision fashion, with one eye used for near and one eye used for distance.

02. Industry overview

Targeting just those approximately 8 million presbyopes in the US who are already wearing contact lenses, and converting them to NaturalVue MF contact lenses, provides for an addressable market in the US that the Company estimates is at least US$3.4 billion p.a. (based on an average annual wholesale cost in the order of US$500,[1] and an 85.5% compliance rate with daily replacement instructions[2]).

Figure 2.12: US Presbyopia wholesale addressable market



This addressable market is much larger still if one also targets the large additional pool of Presbyopes who, whilst wearing Sphere contact lenses prior to becoming Presbyopic, currently give up wearing contact lenses altogether once they become Presbyopic due to the shortcomings of currently marketed Multifocal contact lenses (see Section 3.3.1). In this regard, the Multifocal contact lens market for Presbyopia is very poorly penetrated. Wholesale sales of Multifocal contact lenses in the US in 2016 is estimated at less than US$300 million out of an addressable wholesale market of more than US$3.4 billion. This lack of market penetration can largely be attributed to both the poor functionality and performance of marketed Multifocal contact lenses (refer to Section 3.3) and the difficulties eye care professionals have in fitting the currently marketed Multifocal contact lenses to their patients (see Section 3.3), leading to a low percentage of Sphere contact lens wearers switching to Multifocal contact lenses once they become Presbyopic. Instead, those traditional Sphere wearers either continue to wear Sphere contact lenses supplemented with reading glasses for close vision tasks, Spherical contact lenses in a monovision fashion, or give up wearing contact lenses altogether. This highlights the large opportunity inherent in the introduction of a better performing and functioning, and easier-to-fit Multifocal contact lens for the large US Presbyopia patient population.

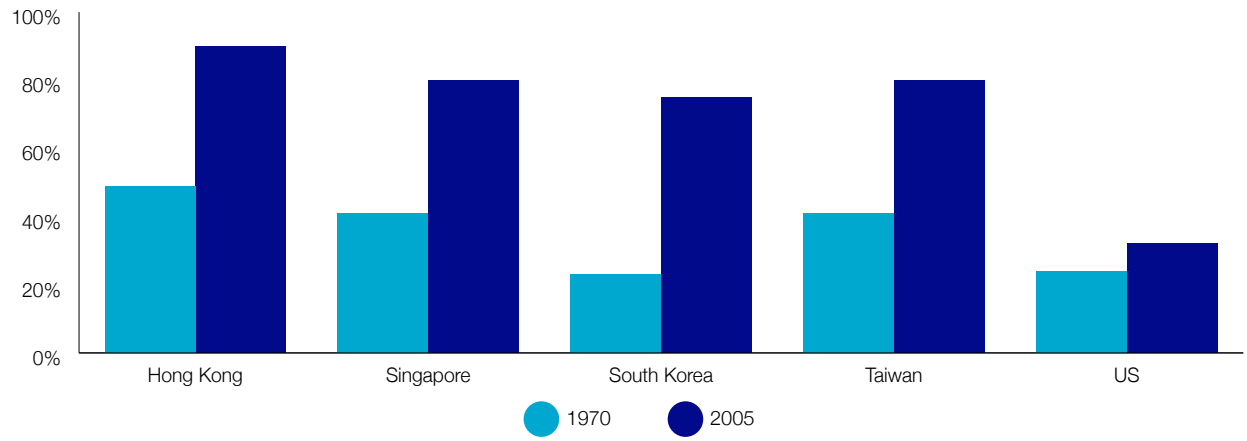
2.2.4 Addressable US market for Multifocal contact lenses for Myopia Progression

Paediatric Myopia has undergone explosive growth on a global scale over the past four decades, and has become a major worldwide eye health issue. The problem is most pronounced in Asia where the rate of Myopia among youth in some Asian countries has risen to approximately 90%, having doubled in a number of countries since 1970 (see Figure 2.13 below). The government of Singapore has declared Myopia Progression in children to be a national epidemic.

A large and rapid increase in paediatric Myopia has also occurred in the western world; in the United States over 30% of youths are now Myopic. Even in Australia, which enjoys one of the lowest Myopia rates in the world, the prevalence of Myopia amongst 12 year olds grew from 11.5% to 18.9% between 2005 and 2011.

1 Based on the average annual wholesale cost of Multifocal daily disposable contact lenses sold in the US.
2 This is the proportion of all contact lens users who report that they wear daily disposable contact lenses every day, and use a new set of lenses every day. Figure represents the midpoint of findings in four studies reviewed by the Company.

Figure 2.13: Estimated prevalence of Myopia in young adults[1]



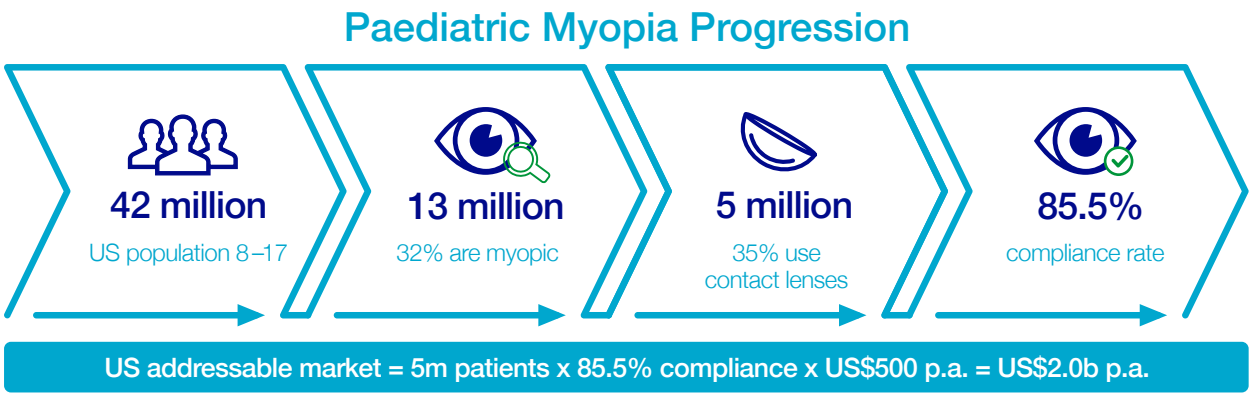
Source:

1 Adapted from Dolgin E. (2015). *The Myopia Boom*. Nature, 519, 276-278 and Vitale S. et al (2009). *Increased Prevalence of Myopia in the United States Between 1971-1972 and 1999-2004*. Archives of Ophthalmology 127(12), 1632-1639.

The potential addressable market in the US for a contact lens that addresses paediatric Myopia Progression is very large. In the US alone, there are approximately 42 million children and adolescents aged between 8 and 17, of whom about 32%, or approximately 13 million, are Myopic. Eye care professionals in the US report that on average they already use contact lenses as the primary form of vision correction in 35.1% of children aged 8 to 17, or approximately 5 million cases.

Targeting just those 5 million children with a NaturalVue MF contact lens (that both corrects vision and addresses the generally recognised optical risk factors for myopia progression), points to an addressable market in the US that the Company estimates to be at least US$2.0 billion p.a. (based on an average annual wholesale cost in the order of US$500[3] and an 85.5% compliance rate with daily replacement instructions[4]).

Figure 2.14: US paediatric Myopia Progression wholesale addressable market



This sizeable addressable market has the potential to be much larger still, should Myopic children who are currently wearing eyeglasses for their vision correction switch to contact lenses because those contact lenses simultaneously provide vision correction and address the generally recognised optical risk factors for Myopia Progression.

3 Based on the average annual wholesale cost of Multifocal daily disposables sold in the US.

4 This is the proportion of all contact lens users who report that they wear daily disposable contact lenses every day, and use a new set of lenses every day. Figure represents the midpoint of findings in four studies reviewed by the Company.

2.2.5 Reimbursement generally not a market driver

In the US, vision correction using contact lenses and eyeglasses is generally paid for out-of-pocket by patients. This is because Medicare and Medicaid in the US generally do not cover contact lenses or eyeglasses, and the majority of private insurance plans mainly offer discounts. This being the case, the Company does not believe that reimbursement is relevant to its prospects, nor that any potential changes in health care laws or reimbursement policy that may result from political leadership changes in the US will affect the business prospects of Visioneering.

2.3 Industry competition

The primary forms of competition that Visioneering faces in its markets are:

2.3.1 Alternative forms of vision correction

(a) Eyeglasses

Traditional eyeglasses are used to correct most visual impairments, including Hyperopia, Myopia, Presbyopia, and Astigmatism. In the US, approximately 60% of people who need vision correction use eyeglasses. Eyeglasses can be single-vision, Bifocal, Multifocal (including progressive addition lenses), or Toric.

There are several often-cited reasons why people choose not to use eyeglasses as their vision correction mechanism of choice. These include:

- aesthetics;
- cosmetics;
- convenience;
- participation in sports and other physical activities; and
- interruption of field of view.

Whilst traditional eyeglasses are effective at correcting vision for Myopia in children, they typically do not address Peripheral Hyperopia, one of the generally recognised optical risk factors of Myopia Progression.

(b) Surgery

Refractive surgery describes surgical procedures used to correct common vision problems, thereby reducing or eliminating the need for prescription eyeglasses or contact lenses. There are several forms of refractive surgery, with the most common form being LASIK, a procedure that employs a laser to permanently remove some of the Cornea to correct Hyperopia, Myopia and Astigmatism.

Whilst generally effective for those patients for whom LASIK is suitable, only a very small percentage (less than 0.25%) of people in the US who need vision correction choose LASIK.

For Presbyopia, LASIK has not historically been an option. More recent surgeries such as Kamra Corneal Inlay (an inlay that is surgically implanted into the Cornea to create a pinhole camera effect) which was approved by the FDA in 2015, and procedures such as Monovision LASIK (where one eye is surgically corrected for distance vision and one eye is surgically corrected for near vision), have sought to expand the surgical alternatives for addressing Presbyopia. However, due to the surgical approaches to Presbyopia not being appropriate for a number of patients and the high initial cost, it is not anticipated that surgical techniques will be common for Presbyopia in the foreseeable future.

Also, while refractive surgery can be effective at correcting vision for adult patients with Myopia, it is not approved by the FDA for people under 18, and many refractive surgeons do not like to perform it on people under 21. It is therefore not a potential treatment for Myopia Progression in children.

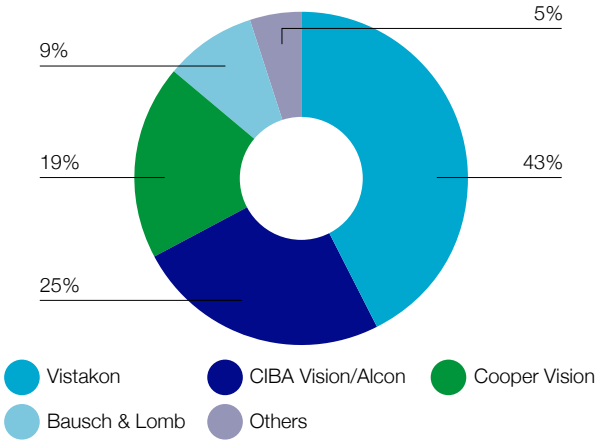
2.3.2 Competing contact lens manufacturers

Visioneering competes directly against other contact lens manufacturers.

The global market for contact lenses is dominated by four major companies, which collectively have a global market share of approximately 95%, being Bausch & Lomb (a Valeant company), Vistakon (a Johnson & Johnson company), Cooper Vision, and CIBA Vision/Alcon (Novartis companies). Generally, these players offer largely undifferentiated Sphere, Multifocal and Toric contact lens optical designs for vision correction.

Outside of the four major players, there are numerous smaller companies that compete within the contact lens market. These smaller companies typically offer a limited range of products, sometimes specialising in a specific type of eye disorder.

Figure 2.15: 2015 global soft contact lens market[1]



Source:

1 Global Industry Analysts, Inc., Contact Lenses and Solutions – A Global Strategic Report (May 2016).

Generally, the four major players offer Multifocal contact lenses for Presbyopia utilising comparable optical designs.

Whilst all of the major companies market basic Sphere contact lenses for the correction of vision for children with Myopia, the Company is not aware of any of them offering a daily disposable contact lens solution that also addresses the generally recognised optical risk factors for Myopia Progression.

2.3.3 Other interventions for Myopia Progression

While progressively thicker eyeglasses or higher prescription contact lenses can correct a patient's Myopic vision so they can see clearly, these vision correction methods have little or no impact on slowing Myopia Progression, and in theory, may actually contribute to the progressive worsening of Myopia.

There are currently only limited accepted methods for controlling Myopia Progression. The key methods are Atropine, Orthokeratology and certain soft contact lenses, which have only seen limited adoption by eye care professionals in the US.

(a) Atropine

Atropine is a medication used to treat certain types of nerve agent and pesticide poisonings, some types of slow heart rate, and to decrease saliva production during surgery.

Atropine formulated as eye drops or ointment is used by some eye care professionals for Myopia Progression. While Atropine has been found in several studies to reduce Myopia Progression, it presents a number of material drawbacks, including:

- uncertain efficacy – different studies have shown varying levels of success in Atropine's ability to reduce Myopia Progression, depending on the dosage used;

02. Industry overview

- significant side effects – Atropine is known to cause a number of significant side effects especially at higher dosages, including blurring of near vision, general eye irritation and acute light hypersensitivity, with some patients requiring the use of sunglasses both indoors and out;
- Myopia rebound – patients may experience significant rebound of Myopia Progression upon cessation of higher dosages of Atropine treatment;
- temporary use only – the side-effects associated with topical Atropine make long-term therapy impractical for some patients; and
- difficult to obtain – Atropine in lower dosages, which cause fewer side effects, is not yet commercially available, and must be formulated by private compounding pharmacies.

(b) Orthokeratology

Orthokeratology also called 'Ortho-k', is a specially designed hard contact lens, designed to be installed in the child's eye before bedtime, in order to temporarily reshape the front surface of the eye overnight.

Ortho-k presents a number of disadvantages in treating paediatric Myopia, including:

- undesirable complications – increased risk of infection and inflammation of the eye owing to the overnight use of (sleeping in) the contact lenses;
- requires daily lens care – Ortho-k lenses are not disposable and thus require daily care to maintain the lenses and keep them free of infection. This can be difficult for children and adolescents;
- daily revision – the moment Ortho-k lenses are removed in the morning, the patient's Cornea starts to return to its previous shape. This can cause a patient's vision to become increasingly worse as the day progresses, as the clarity of vision decreases as the Cornea reverts towards its prior shape throughout the day; and
- expensive – Ortho-k lenses are expensive, generally commanding up-front fees of US$1,200 to US$4,000 and further costs for replacement lenses, lens care solutions and follow-up exams. The expense can be further magnified by children and adolescents being prone to losing small items such as a contact lens.

(c) Soft contact lenses

There are past and present attempts to use soft contact lenses for Myopia Progression control. Some of the attempts have been by competitors in the US and some have been outside the US. Some of the lenses not clinically successful in Myopia Progression control were at some point on the market for other purposes then taken off the market, and some are still available for purposes other than Myopia Progression control. None of the lenses available in the US are daily disposable, which the Company considers highly beneficial for encouraging use and compliance by children.

None of those soft contact lenses have gained widespread adoption for Myopia Progression control, despite being available for many years, although interest in using soft contact lenses for Myopia Progression control is very high. The published data on these lenses is highly variable, even within a single lens design. The Company believes that the soft contact lenses that have been tried in the US (and are available in the US for other purposes), or are being marketed outside the US specifically for Myopia Progression control, lack sufficient peripheral plus power to maximise the slowing of Myopia Progression, and may offer insufficient visual clarity owing to the use of legacy optical design concepts (for example, alternating plus and minus power zones).

Given the high interest, high medical need, and very large market for effective Myopia Progression control strategies, the Company expects more competition in the future. However, for the foreseeable time, the Company expects to offer the only daily disposable soft contact lens with published data showing that it addresses the three generally recognised optical risk factors for Myopia Progression, and is very excited by the early reports of efficacy being seen with NaturalVue MF contact lenses in slowing the progression of Myopia in children. See Section 3.4 for further information.

Case study

Dr. Jeffrey Cooper, OD, FAAO

New York City,
New York Medical Adviser to Visioneering

My patient Anna was 6 years old when she was first examined in my office, and she received her first pair of spectacles for her -1.50D of nearsightedness (called myopia). By the time Anna was 7 years old, her myopia had already increased by 1.00D. Both of her parents were myopic, and they inquired as to what could be done to potentially decrease the chance that Anna would continue increasing in myopia.

I prescribed 0.025% atropine to be used with her regular spectacles. Within 6 months, her myopia had continued to increase, so I changed her to progressive addition spectacle lenses with a +2.50D add, and continued the nightly use of 0.025% atropine. Her myopia remained fairly stable until she was 9 years old, at which time it began to progress again, by 2.00D in 15 months, even though she was continuing to use the low dosage atropine as prescribed. As the amount of nearsightedness correlates to the probability of serious ocular disease, it was critical to try to slow the progression of Anna's nearsightedness.

I received a diagnostic set of the NaturalVue 1 Day MF Contact Lenses, and I took the opportunity to try this unique lens design with Anna. This lens not only has the center distance design that some literature indicates may help to decrease the progression of myopia, but it is also the only daily disposable center distance multifocal contact lens available in the US market. The daily disposable option is very important to contact lens wear in children, as it has been shown to have a 12.5X lower incidence of certain problems than contact lenses that are cleaned and reused.

At the age of 10, I fitted Anna with NaturalVue MF contact lenses, which corrected her nearsightedness, and gave her clear vision. After progressing a full 2.00D in 15 months with progressive additional spectacles and low dosage atropine, Anna's myopic progression has stabilized since wearing the NaturalVue MF contact lenses over the first 13 months. We will continue to track her progress over a longer time period, but it was very encouraging to Anna and her parents that her nearsightedness had not continued to worsen. It is very encouraging to me as a doctor that we have a safe and effective tool for the correction of nearsightedness in children, and one that could provide a real opportunity to decrease the progression of myopia in these young children.

03.

Company overview

03. Company overview

3.1 Introduction

Visioneering is a medical device company that was incorporated in 2008 in the US State of Delaware. Its head office is based in the US state of Georgia. The Company's principal activity is the design, manufacture, sale and distribution of its NaturalVue™ Multifocal 1 Day (**NaturalVue MF**) contact lenses for adults with Presbyopia and children with Myopia.

Most people over the age of 40 experience a progressive loss of the ability to see near objects clearly, resulting in the need for vision correction for activities such as reading and computer use. The addressable market for Multifocal contact lenses for Presbyopia is, accordingly, very large. However, Multifocal contact lenses for Presbyopia currently have poor market adoption, owing primarily to their inability to sufficiently solve near vision problems, and for being difficult to correctly fit on the patient. These problems typically result in a poor experience for both the patient and the eye care professional.

Visioneering believes its innovative Neurofocus Optics™ technology used in its NaturalVue MF contact lenses significantly improves upon currently marketed Multifocal contact lenses by providing superior near, intermediate and distance vision and being much easier to fit. NaturalVue MF contact lenses have been shown in consumer trials to be strongly preferred over other widely used Presbyopia solutions, including competitors' Multifocal contact lenses.

NaturalVue MF contact lenses are also now being used by some eye care professionals for Myopia correction in children. The rates of paediatric Myopia have undergone explosive growth over the past four decades, now affecting approximately 90% of children in some developed Asian countries and over 30% of children in the US. Whilst the degree of paediatric Myopia correlates to a 2- to 16-fold higher lifetime risk of developing severe eye problems in adulthood, there are currently no treatments broadly available and adopted for addressing Myopia Progression. NaturalVue MF contact lenses have been shown in clinical trials to simultaneously correct vision for children with Myopia, as well as address the generally recognised optical risk factors thought to be related to Myopia Progression in children.

NaturalVue contact lenses are already cleared by the FDA, and in the first half of 2015, the Company began a pilot launch of the NaturalVue MF contact lens in the US. With only a single sales representative, the Company obtained strong early sales momentum, and generated more demand than the Company was able to meet with its current infrastructure. The pilot launch has positioned the Company for a national launch in the US involving a rapid expansion of its sales force. In addition, the Company plans to enter non-US markets (through distribution arrangements) and to continue to broaden its contact lens portfolio with product line extensions.

To date, approximately US$28.1 million has been invested into Visioneering, with the Company's investors including healthcare-focused institutional investment funds in the US as well as a number of institutional and sophisticated investors in Australia. The Company has a highly qualified Board and management team, collectively possessing a wealth of knowledge and experience in the successful commercialisation of medical devices, as well as deep expertise in the eye care industry, pharmaceuticals and finance.

Visioneering believes that its NaturalVue MF contact lenses represent one of the most significant innovations in the optical design of Multifocal contact lenses in over two decades. Having successfully undertaken a US pilot launch with a product targeting two of the largest eye-care markets – Presbyopia and paediatric Myopia – the Company stands poised to drive a broader US commercial roll-out and expansion into other geographies.

Doctor testimonial:

Because of the universal ADD (add power), the simplicity of fit, and the excellent vision and comfort, I reach for the NaturalVue MF as my first choice for soft lens patients; the design is truly revolutionary.

Dr Doug Benoit, OD, FAAO, GPLI Practitioner of the Year (2016), Concord Eye Center, Concord, New Hampshire, United States
Medical Adviser to Visioneering

3.2 Company history

Visioneering was founded in 2008 based on technology invented by Dr Richard Griffin. In the early 2000s, Dr Griffin started investigating whether the concept of a pinhole aperture, known for improving the depth of focus for optics and images in photography, could similarly be applied to the flow of light to form a much better functioning Multifocal contact lens.

Visioneering received its first institutional investment funding in 2008. Life Sciences investor specialists MB Venture Partners and Charter Life Sciences led the round, and between them, have continued to be a strong funding source for the Company, having collectively invested approximately US$14.9 million to date.

Between 2008 and 2013, the Company progressed from early proof-of-concept designs with crudely manufactured prototype lenses to optimising the optical design of the NaturalVue MF contact lens. Then, in 2012, in preparation for commercialisation, Visioneering started working with Pegavision Corporation (**Pegavision**), a large, established contact lens manufacturer based in Taiwan. Together, they transitioned manufacturing from low-volume lathing to high-volume moulding in order to support commercial scale manufacturing of NaturalVue MF contact lenses.

Between 2013 and early 2015, the Company completed multiple US clinical trials in adults with Presbyopia. This followed clinical trials in children with Myopia and two animal studies in Myopia Progression control.

In late 2014, Visioneering sought and received clearance by the FDA to market NaturalVue contact lenses in the United States. Visioneering also established its fulfilment logistics capability with a large US-based contact lens fulfilment company, which today handles the Company's order receipts, warehousing, revenue collections, and shipping of product to customers.

In the first half of 2015, the Company pilot launched NaturalVue MF contact lenses in the US with a small number of high profile accounts in order to, amongst other things, develop and test marketing materials, develop eye care professional training methods and materials, optimise fulfilment, and to lay the groundwork for a future national launch in the US.

In the second half of 2016, the Company raised US$10.3 million from a combination of US, Asian, and Australian institutional and sophisticated investors. The proceeds were for expanding the Company's US sales and marketing team, building inventory, and undertaking preparations for the Offer.

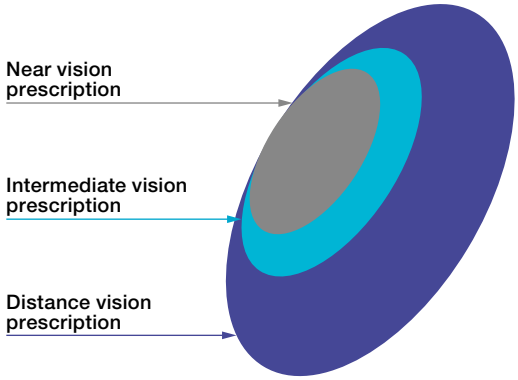
3.3 Visioneering's NaturalVue MF contact lenses for Presbyopia

3.3.1 Background – the shortcomings of currently marketed Multifocal contact lenses

Currently marketed Multifocal contact lenses are largely undifferentiated, employing essentially the same optical design, consisting of a centre zone with a prescription for correcting near vision, surrounded by a concentric zone, or zones, with prescriptions for correcting intermediate and distance vision (see Figure 3.1 below). This manifests in two major shortcomings, namely:

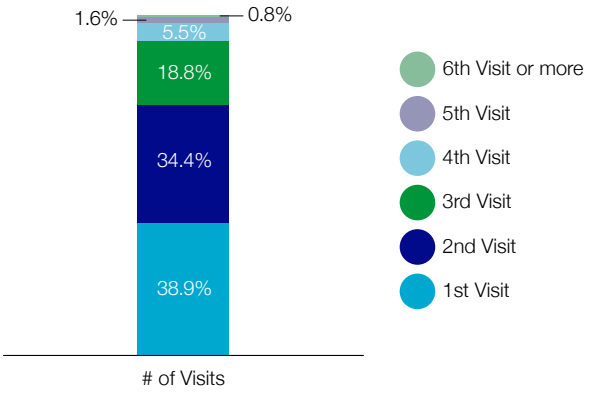
- **Poor clinical performance –** The clinical performance of currently marketed Multifocal contact lenses leave many patients compromising either their near or distance vision, unable to find a Multifocal contact lens that provides a satisfactory solution simultaneously for both. Often, patients find that they need to supplement their Multifocal contact lenses with reading eyeglasses in order to perform near vision tasks. Poor performance in near vision is the leading reason why Multifocal contact lenses fail for patients today.

Figure 3.1: Currently marketed Multifocal contact lens design



- **Difficult and time consuming for eye care professionals to fit –** Finding the correct Multifocal contact lenses for fitting Presbyopic patients ('fitting') can be a frustrating and time-consuming endeavour for eye care professionals, and an eye-reddening experience for the patient. Currently marketed Multifocal contact lenses must be optimised for at least two zones, one prescription for distance and one prescription for near, with changes to either zone affecting how the patient sees through the other zone (e.g. a change to the reading power, can affect the clarity of distant objects). This means that there is a high number of possible lens parameter permutations that could be the one best suited for the patient. Not surprisingly, finding the right permutation of parameters can be quite a challenge. Only approximately 39% of Presbyopic patients are successfully fitted by their eye care professional in the first visit, with only 73% of patients being successfully fit within two visits.[1] In the US, the patient generally pays a flat fitting fee regardless of the number of fitting visits, so the fewer the number of fitting visits required, the better the eye care professional's economics.

Figure 3.2: Average number of visits to correctly fit Multifocal contact lenses[1]



Source:

1. Visioneering Data on File 2013, as reported by eye care professionals when fitting Presbyopic patients (n=428).

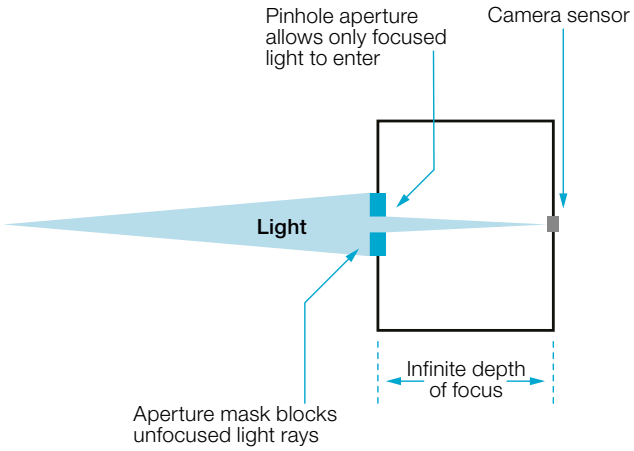
3.3.2 Visioneering's NaturalVue MF contact lens technology

Instead of creating different prescription zones in the contact lens for viewing near versus distant objects, Visioneering has developed a much more powerful and elegant way to simultaneously provide clear near vision and distance vision in a Multifocal contact lens, utilising Visioneering's Neurofocus Optics technology.

The concept behind Visioneering's Neurofocus Optics technology was derived from the principles of a pinhole camera, commonly used in film and photography, and applying it to the design of contact lenses.

The pinhole camera is the simplest type of camera in the real world. Instead of using lenses to focus light rays, a pinhole camera employs a small aperture, or hole. When you take a picture with a pinhole camera, light reflected from the subject travels in the direction of the camera and passes through the aperture. Unfocused light rays are blocked by the opaque mask around the aperture, resulting in only focused light arriving at the film or sensor (see Figure 3.3 below). Generally, the smaller the pinhole aperture, the sharper the projected image, and the greater the depth of focus.

Figure 3.3: Pinhole camera operation

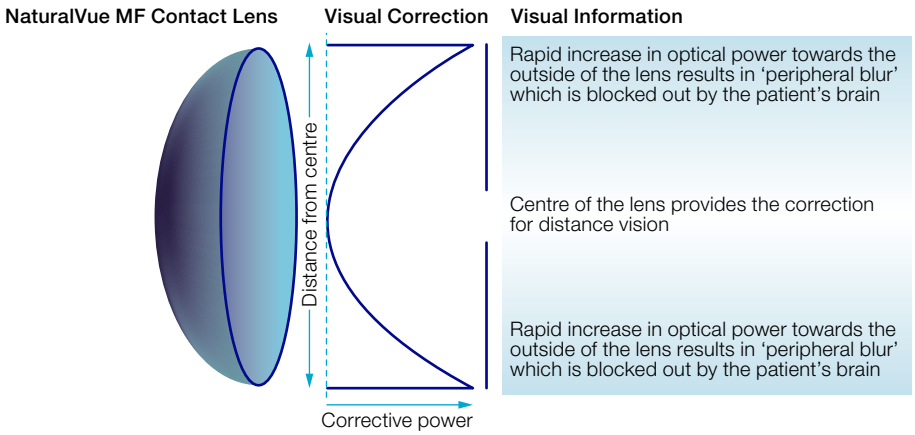


Pinhole cameras are also known for their 'infinite depth of focus', which means that the sharpness of the image does not depend on its distance to the camera (provided the size of the pinhole is suitable for the size of the camera).

The NaturalVue MF contact lenses utilises the Company's Neurofocus Optics technology to induce a virtual pinhole aperture. To achieve this, the NaturalVue MF contact lenses are designed as follows:

- the very centre of the NaturalVue MF contact lens contains the patient's prescription for distance to ensure distant images are seen clearly;
- moving outward in all directions from the centre, the optical power rapidly, smoothly, and continuously increases from the centre of the lens in a manner intended to highly blur everything but the central in-focus light rays;
- the brain is efficient at filtering out blur, and therefore blocks the patient from perceiving the heavily blurred periphery outside the very centre of the lens. This brain-induced suppression of the peripheral blur from the NaturalVue MF contact lens results in an aperture effect, whereby the patient sees only the clear image being produced via the centre prescription; and
- just as a pinhole aperture has an infinite depth of focus, the Neurofocus Optics technology has been shown to result in clear vision of near, intermediate, and distant objects, along with excellent depth perception, without employing complex zones of near and distance powers, as is the case with currently marketed Multifocal contact lenses for Presbyopia. This is achieved without affecting peripheral vision.

Figure 3.4: Neurofocus Optics technology



In developing its Neurofocus Optics technology, and creating the NaturalVue MF contact lens, Visioneering believes it has developed one of the most significant innovations in the optical design of Multifocal contact lenses in over two decades.

NaturalVue MF contact lenses overcome the shortcomings of the Multifocal contact lenses currently used on the market for Presbyopia by providing two important advantages:

- **Strong clinical performance –** the use of Neurofocus Optics technology has resulted in NaturalVue MF contact lenses simultaneously providing superior distance, intermediate, and near vision, with excellent depth perception (important for activities such as sports, driving, reading, as well as computer and phone use).
- **Easier and quicker for eye care professionals to fit –** unlike other marketed Multifocal contact lenses, NaturalVue MF contact lenses only need to be optimised for distance power at the centre of the lens. As the near vision is produced via the pinhole aperture effect of the Neurofocus Optics technology, there is no need to also specify a prescription for near vision, nor any need for trying permutations and combinations of 'add powers' and lens designs to find the correct lens. The eye care professional simply selects and fits the patient's distance vision prescription, and the near vision correction is taken care of by the Neurofocus Optics technology. This easy-fit procedure saves significant time on average, with the vast majority of patients being fitted in a single visit. This results in better economics for the eye care professional (given that the patient typically pays a flat fitting fee regardless of the number of fitting visits) and a better experience for the patient.

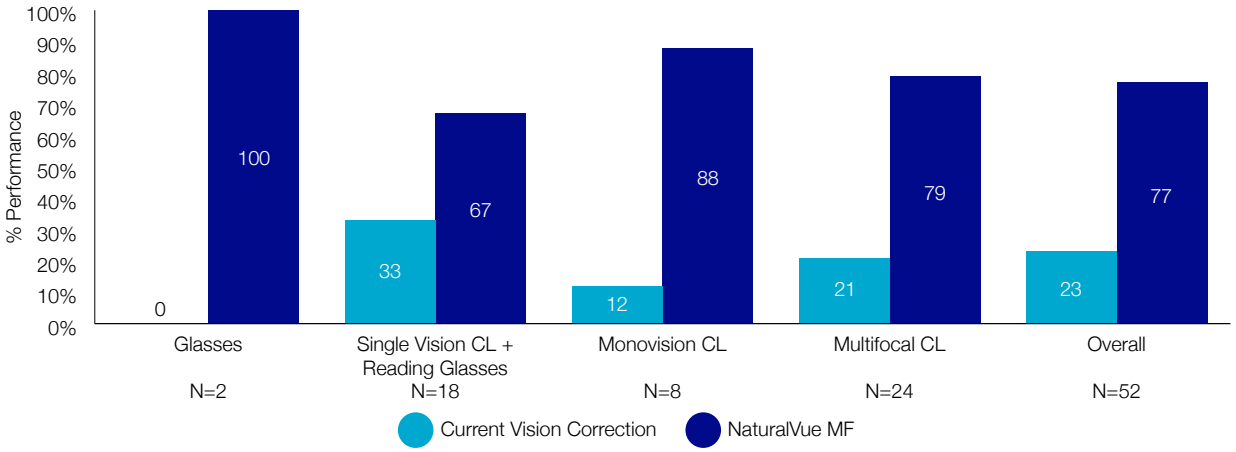
3.3.3 US clinical trial supports superiority of NaturalVue MF contact lenses

A US trial of the NaturalVue MF contact lenses was conducted between 2014 and 2015. Known as the Pre-Market Evaluation Trial (**PMET**), it consisted of a 59-patient multi-site trial comparing NaturalVue MF contact lenses to current Presbyopia corrective devices, including competing Multifocal contact lenses, Sphere contact lenses combined with reading eyeglasses, monovision contact lenses (one eye near vision Sphere contact lens and one eye far vision Sphere contact lens) and Bifocal or Multifocal eyeglasses. The trial was designed to evaluate how NaturalVue MF contact lenses perform in a real-world setting for patients. The PMET trial produced several positive results as follows:

- **Clear patient preference for NaturalVue MF contact lenses –** NaturalVue MF contact lenses were preferred 3:1 by patients over their current Presbyopia solution and nearly 4:1 over competing Multifocal contact lenses that were worn by the patients prior to trying NaturalVue MF contact lenses.

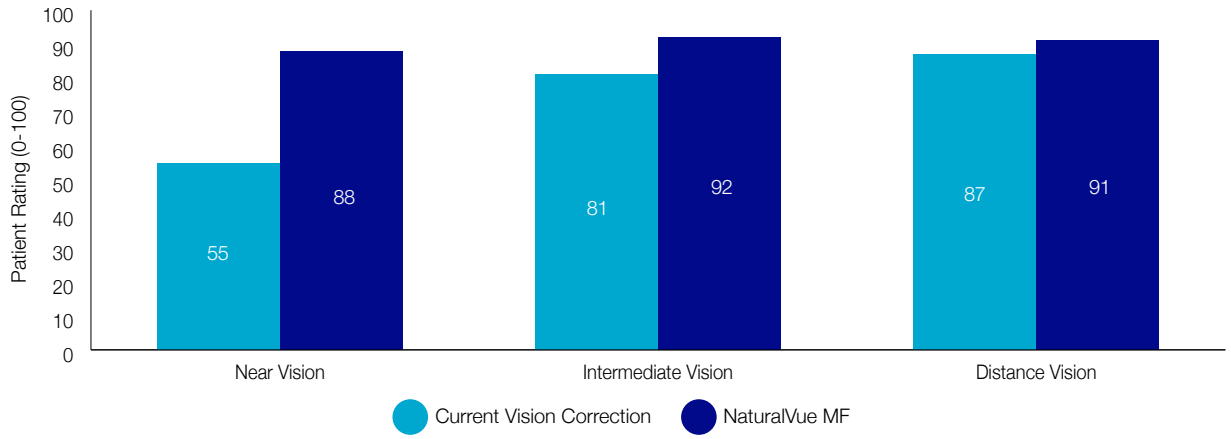
03. Company overview

Figure 3.5 PMET trial – patient preference (n=52)



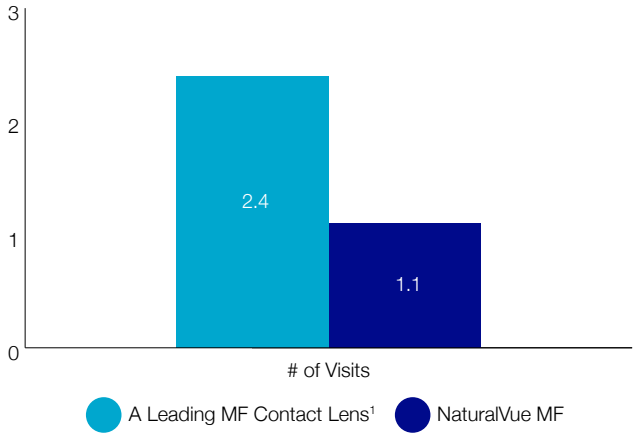
- **NaturalVue MF contact lenses superior performance (measured by patient ratings) –** NaturalVue MF contact lenses were found to have superior performance (measured by patient ratings) for both distance vision and intermediate vision and even greater performance for near vision.

Figure 3.6 PMET trial – near, intermediate and distance vision (n=59)



- **Easier fit and fewer visits –** The average number of eye care professional visits to successfully fit NaturalVue MF contact lenses was 1.1 visits. This is substantially less than the average of 2.4 visits required to successfully fit a market leading Multifocal contact lens (as reported by the manufacturer).

Figure 3.7: PMET trial – visits required for correct fitting



Source:

1 As reported by the manufacturer of the contact lens.

3.4 Visioneering's NaturalVue MF contact lenses for paediatric Myopia correction

Approximately 90% of children in some developed Asian countries and over 30% of children in the US suffer from Myopia. As Myopia worsens over childhood, the lifetime risk of a number of severe eye diseases, including Retinal Detachment, significantly increases. With no widely-adopted methods for slowing Myopia Progression in children, a large addressable market exists for products that would inhibit Myopia Progression in children. NaturalVue MF contact lenses for Myopic children therefore represent a significant potential opportunity for the Company.

For a contact lens to contribute to blunting Myopia Progression in nearsighted children, it is thought that the ideal design would:

- be a daily disposable soft contact lens (for ease-of-care);
- contain a 'minus' power in the middle of the lens (to bend the central light rays out to the surface of the Retina in order to correct the Myopia);
- provide a high amount of relative plus power peripheral to the centre (to bend the peripheral light rays forward towards the front of the eye to remove or reduce Peripheral Hyperopia, the signal for eye lengthening that leads to Myopia Progression); and
- also impact the focusing system of the eye.

A daily disposable contact lens with centre distance power surrounded by rapidly increasing 'relative plus' power that also impacts the focusing of the eye, is precisely the design of the NaturalVue MF contact lens (refer to the description of NaturalVue MF contact lenses in Section 3.3.2 above).

03. Company overview

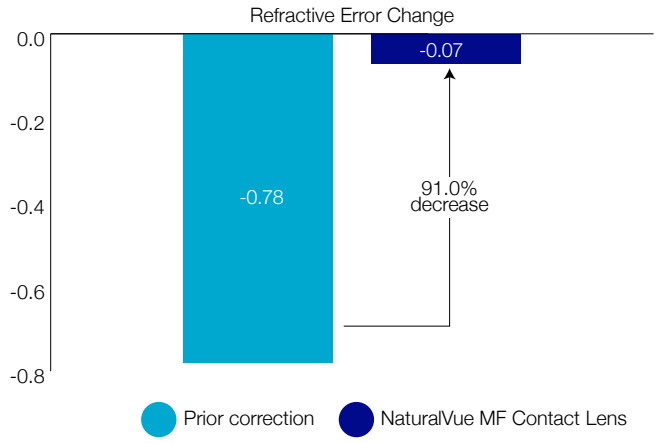
The Company's NaturalVue MF contact lenses have been trialled in the US in both animals and children for their potential to slow the progression of Myopia. In two animal studies, Dr Elizabeth Irving, a world leading Myopia researcher, found that Visioneering's Neurofocus Optics contact lens design completely halted Myopia Progression, and even reversed the development of Myopia.

In 2011 and 2012, the Company conducted US clinical trials on a total of 72 children. These trials found that:

- NaturalVue MF contact lenses provided comparable vision correction for Myopic children as compared to Sphere contact lenses;
- in addition to vision correction, NaturalVue MF contact lenses simultaneously addressed the generally recognised optical risk factors for Myopia Progression, including Peripheral Hyperopia; and
- NaturalVue MF contact lenses can be comfortably worn by children.

Following the initial pilot launch of NaturalVue MF contact lenses in the US in 2015, a number of eye care professionals have been evaluating the contact lenses on children with rapid Myopia Progression. Some of those eye care professionals have commenced compiling data on the effect of the contact lenses on Myopia Progression in their paediatric patients after greater than six months of use. Whilst the data covers only 14 patients thus far, and the time patients have spent using the contact lenses is short, but growing, the data gathered to date is encouraging. In those patients to date, NaturalVue MF contact lenses have materially reduced Myopia Progression, as shown by a greater than 90% reduction in the annualised average change in patient prescription (see Figure 3.8 below). That degree of therapeutic effect holds significant promise if demonstrated in larger numbers of children.

Figure 3.8: Annualised Myopia Progression in children wearing NaturalVue MF contact lenses[1]



Source:

1 Company data – Patient population includes children wearing NaturalVue MF contact lenses from 6 to 16 months.

Doctor testimonial:

I am a Fellow of the American Academy of Orthokeratology and Myopia Control, and I have been offering myopia control services in my practice for over 15 years. In my opinion, standard center distance soft multifocal contact lenses cannot offer enough peripheral correction to significantly slow progression, without compromising distance visual acuity. When I first heard about the NaturalVue Multifocal I couldn't wait to add it to my practice. I believe it will prove out to be a great design that has the optics needed for myopia control. In my practice, I fit about 90% daily wear disposables for my soft lens fits.
I believe it is the healthiest soft lens modality, especially for kids. I have started using the lens for myopia control in children, and I have found that the children have great comfort and no compromise in distance vision.

Hal Ostrom, OD, FIAO, Clinton Eye Associates, Clinton, Connecticut, United States

3.5 Regulatory framework

The regulatory framework for medical device companies varies in different countries and regions. The regulatory and approval status for NaturalVue contact lenses in key markets is outlined below.

3.5.1 US – clearance by FDA

In the US, the FDA regulates medical devices under the Federal Food, Drug, and Cosmetic Act of 1938 (US) to ensure that products distributed across the US are safe and effective for their intended use.

NaturalVue contact lenses received 510(k) Clearance by the FDA in October 2014 for the correction of refractive errors. The 510(k) Clearance extends to all existing and future contact lens types intended to be included in the NaturalVue product portfolio including, NaturalVue MF, NaturalVue Spheres, NaturalVue Toric and NaturalVue Multifocal Toric (refer to Section 3.7.3).

3.5.2 Europe

In order to be marketed in Europe, the Company's products are required to have CE Marking certification, confirming compliance with the European MDD and signifying that the products are allowed to be sold commercially.

The Company has commenced the process of applying for its CE Marking certification, and is aiming to obtain that certification in the second half of 2017.

3.5.3 Australia

The TGA is responsible for assessing the quality, safety, and performance of medical devices before they can be supplied in Australia. Medical devices must be included on the Australian Register of Therapeutic Goods unless specifically exempted.

The Company has commenced the process of seeking TGA approval, and is aiming to obtain that approval in the second half of 2017.

3.5.4 Other international markets

The Company intends to seek regulatory clearances for NaturalVue MF contact lenses in additional global markets following the scale up of its operations in the US. Amongst the international markets currently envisioned to be a priority are Singapore, China (including Hong Kong), Japan, and Korea.

3.6 Initial US launch demonstrates strong early demand for NaturalVue MF contact lenses

Following clearance by the FDA for NaturalVue contact lenses in late 2014, Visioneering commenced an initial pilot launch in the US market in March 2015. The purpose of the pilot launch was to establish a small number of high profile customers, develop and test marketing materials, test training methods, gather patient feedback and re-order rate data, and to establish fulfilment logistics and processes.

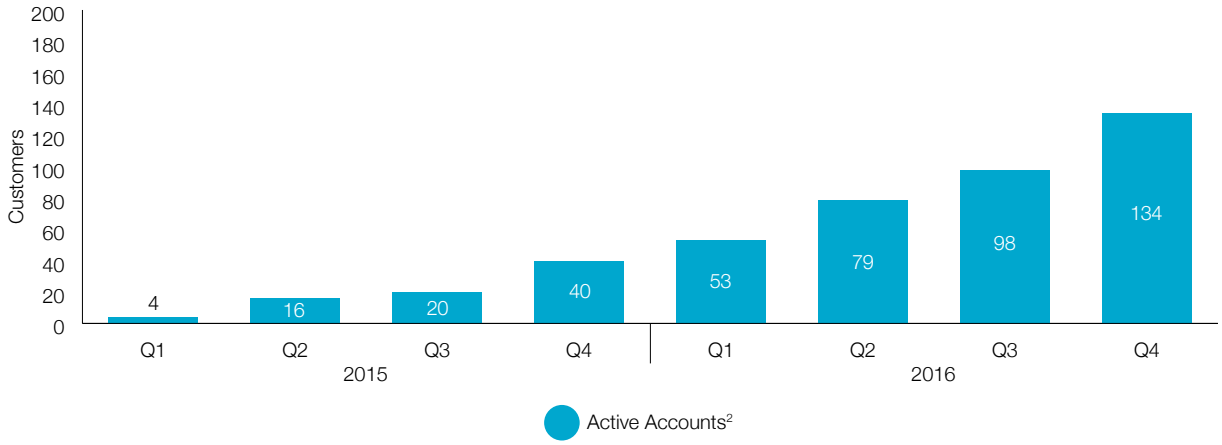
The US pilot launch was undertaken with just one field sales representative selling only a limited number of NaturalVue MF contact lens SKUs. Nonetheless, within just a few months of the initial pilot US launch, demand for NaturalVue MF contact lenses far outpaced the Company's ability to meet or service interested customer volumes.

Within the first 12 months, 40 accounts were established with several hundred patients being prescribed and purchasing NaturalVue MF contact lenses. Of the patients who had been using NaturalVue MF contact lenses long enough to use up their initial supplies, over 90% had re-ordered the product.

By the first half of 2016, NaturalVue MF contact lenses were starting to attract favourable attention within the industry for its innovative contact lens optical design and associated product benefits. This manifested in over 400 account enquiries being received from eye care practices around the US, well beyond the Company's capacity to service with its infrastructure at that time.

Between July and November 2016, the Company raised capital in order to commence preparations for expanding its sales team and increasing its contact lens inventory. Mr Tony Sommer (former head of sales for Bausch & Lomb's US Vision Care division) was recruited by the Company in August 2016, and five new sales representatives were hired and trained between September and November 2016. By the end of 2016, the Company had established 134 Active Accounts (i.e. customer accounts which placed a purchase order during the quarter) as it initiated its US commercial roll-out of NaturalVue MF contact lenses.

Figure 3.9: Visioneering customer accounts[1]



Source:

1 Company data from 1 December 2015 to 31 December 2016.

2 Customer accounts which placed a purchase order during the quarter.

Doctor testimonial:

As more and more data emerge that center distance Multifocal designs are helpful in myopia control, and with no other daily disposable contact lenses currently offering this, NaturalVue MF really corners a market with unmet clinical need.

Alan Glazier, OD, FAAO, Shady Grove Eye & Vision Care, Rockville, Maryland, United States
Medical Adviser to Visioneering

3.7 Visioneering's US and global commercial roll-out plans and objectives for the NaturalVue product line

Visioneering's objective is to become a global market leader in the manufacture and sale of Multifocal contact lenses for Presbyopia and paediatric Myopia.

The Company is undertaking the Offer primarily to provide the working capital required for its three primary growth strategies. These strategies are:

3.7.1 US commercial roll-out of NaturalVue contact lenses

The Company plans to grow its US sales team from five direct sales representatives to approximately 45 direct sales representatives over the first 12 months after Listing. New sales representatives will be hired and trained in classes, with a new class being brought on approximately every two to three months.

Sales representatives are trained over a one-month period. Once trained, they will be prioritised to geographies within the US with high concentrations of disposable income and adults over the age of 40, such as Dallas, Houston, Boston, New York, San Francisco and San Diego.

Each sales representative will be expected to develop and service between 100 and 200 accounts (depending on geography), and to reach this account quota within 12 months of completion of training. The Company expects that on average, a reasonably performing account will generate sales of NaturalVue product of US$5,000 to US$12,000 per annum, depending upon the number of practitioners under a given account.

Alongside sales representatives, the Company also intends to utilise key opinion leaders (**KOLs**), on a contract basis, to help develop new accounts into consistent users of Visioneering's MF products by mentoring new accounts in fitting procedures, patient selection, and patient education. Each KOL will assist approximately ten accounts at a time, and once the account becomes a successful user of Visioneering's MF products, the KOL will move on to other accounts. Currently, the Company has one KOL but plans to expand the mentoring program to five KOLs following Listing.

New sales representatives will focus on converting eye care professionals to NaturalVue MF products for their Presbyopia and paediatric Myopia patients, and will follow the Company's marketing strategy which centres on:

- **Converting pent up demand into sales –** The Company's US pilot launch of NaturalVue MF contact lenses generated more in-bound customer requests than the Company could handle at that time. The Company intends to convert those requests to on-boarded customers as quickly as possible.
- **Leveraging NaturalVue's positive clinical results –** The Company believes that its PMET clinical trial results demonstrate compelling advantages of, and users' preference for, NaturalVue MF contact lenses over market-leading Presbyopia contact lenses. Similarly, in paediatric Myopia, the Company believes that the trial data to date shows that NaturalVue is a 'dual-action' solution which simultaneously corrects Myopia while addressing the generally recognised optical risk factors of Myopia Progression. The Company is confident that it will be able to convert the early performance of NaturalVue MF contact lenses into broader demand from both eye care professionals and their patients.

- **Aggressively pursuing market share with the objective of establishing NaturalVue MF contact lenses as a market leading Multifocal contact lens for Presbyopia –** In addition to leveraging its clinical results to grow the market, the Company intends to take existing market share by expanding its direct sales team, having a strong presence at leading eye care industry trade shows and seminars, and utilising traditional and social media marketing campaigns to drive sales and promote the benefits of NaturalVue MF contact lenses for both eye care professionals and patients.
- **Driving continued awareness and publication of NaturalVue MF contact lenses' role in correcting Myopia and the generally recognised optical risk factors of Myopia Progression in children –** Visioneering is aware of very positive early efficacy data showing the slowing of the worsening of Myopia in children at a small number of early-adopter clinics who are using NaturalVue MF contact lenses on children. Visioneering expects that the eye care professionals at these early-adopter clinics will publish this early data which should motivate additional early adopters who are generally hesitant to use vision correction products on children without peer-published data on efficacy. Published results of positive outcomes among the early adopters should then draw in the next tier of adopters, driving growing awareness of the role of NaturalVue MF contact lenses in the correction of Myopia in children. As a result, subject to the continued receipt of favourable data, the Company expects that paediatric Myopia sales will grow over time as word of the efficacy and availability of NaturalVue MF contact lenses for the correction of Myopia spreads.

3.7.2 International expansion

With Presbyopia and Myopia in children having high prevalence around the world, the Company is planning on expanding in the future beyond the US into international markets. The Company plans to enact its future international growth strategy through partnerships with leading vision care product distributors in each region it enters. This approach will allow the Company to more quickly access large international markets by leveraging an existing distributor's in-country expertise and customer base. Further, it will allow the Company to mitigate its financial risk, given no direct costs are incurred for those sales channels, aside from the overseas manager and related expenses such as distributor training, regulatory approvals, and inventory build.

Asia is expected to be a region of important focus in the Company's future international expansion. As discussed in Section 2.2.4, Asia represents a compelling growth opportunity, particularly given the region's high prevalence of paediatric Myopia. Further, a number of Asian nations remain largely under-penetrated in terms of contact lens usage compared to the US and Europe, presenting a significant potential source of future growth.

As discussed in Section 3.5, the Company is also currently preparing for CE Marking and TGA approval, with a view to receiving both in the second half of 2017.

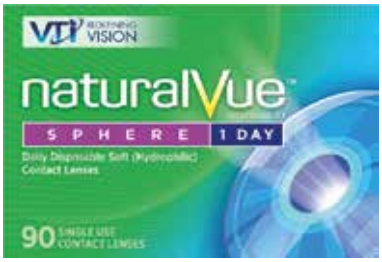
3.7.3 Line extensions and additional products

Visioneering has several line extensions and additional products in development or already in the market. These are:

(a) NaturalVue MF contact lens power range extension

NaturalVue MF contact lenses are available in powers ranging from -0.25 to -12.25 dioptres. This range covers the substantial majority of the Multifocal addressable market for Presbyopia and paediatric Myopia. The Company expects to complete its Multifocal range with the introduction of (0.00) to +4.00 dioptre Multifocal lenses in 2017, which will extend coverage of the Multifocal addressable market for Presbyopia and paediatric Myopia to approximately 96%, excluding only the patients with Astigmatism (see NaturalVue Toric and NaturalVue MF Toric, below).

(b) NaturalVue Spheres



Sphere contact lenses are non-specialty, optically simple contact lenses that correct either Myopia or Hyperopia. Sphere contact lenses are viewed as commodities, offered by all major contact lens companies. They are also a staple of eye care professional practices. Adding Sphere contact lenses to the NaturalVue contact lens range enables the Company to improve brand recognition and promotes brand loyalty if the patient progresses into Multifocal contact lenses for Presbyopia later in life. Similarly, by having Sphere contact lenses as part of the Company's contact lens product line, the Company can utilise the Sphere product in incentive programs to help drive sales of its higher margin Multifocal contact lenses within an eye care professional's practice.

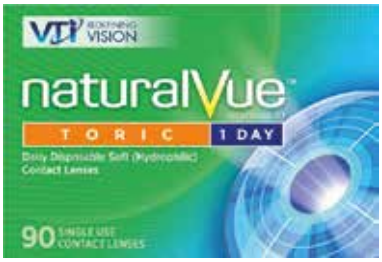
Visioneering launched its NaturalVue branded Sphere contact lenses in the US in August 2016. NaturalVue Sphere contact lenses will be sold to eye care professionals at prices in line with industry benchmarks and competitive with other industry players.

(c) NaturalVue Toric and NaturalVue MF Toric

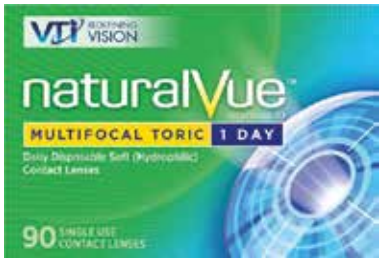
Toric contact lenses are used to correct vision in patients with Astigmatism, which is a visual error caused by an irregular Cornea shape. Toric contact lenses are more complex in design than basic Sphere contact lenses, with a typical range of daily disposable Toric contact lenses comprising an average of approximately 1,800 possible parameter permutations.

Patients with Astigmatism may become Presbyopic in the same way as any person may become Presbyopic. However, the Company is not aware of any contact lenses that simultaneously correct for both Astigmatism and Presbyopia (i.e. a Multifocal Toric) for which a complete fitting set can be practically stocked at an eye care professional's office. This is because the number of possible contact lens parameter permutations needed to simultaneously correct for both Astigmatism and Presbyopia could exceed 30,000, making the inventorying of such contact lenses completely impractical at the site of care.

Visioneering expects to have two significant potential advantages in Toric contact lenses:



- Visioneering's outsourced contact lens manufacturer, Pegavision, is developing a Toric contact lens system that may require as few as approximately 400 permutations (depending on the outcome of the development work) to cover the full range of spherical and cylindrical powers and axes. Visioneering is assisting Pegavision by conducting trials of the Toric lens system, and assuming the development work is successful, Visioneering intends to use the Toric lens system in a NaturalVue Toric product to be launched by the Company.



- Visioneering intends to combine its Neurofocus Optics technology with Pegavision's Toric lens system to develop NaturalVue MF Toric contact lenses. These would similarly require as few as approximately 400 permutations (depending on the outcome of the development work), enabling eye care professionals to stock a complete set of Multifocal Toric contact lenses that would simultaneously correct for Astigmatism and Presbyopia. This will provide Visioneering with the potential to revolutionise the contact lens market by offering the only daily disposable Multifocal Toric contact lens in the market that can be readily inventoried with all powers at eye care professionals' offices.

As Pegavision will own the intellectual property in its Toric lens system, Visioneering will need a licence of that technology from Pegavision. Whilst Visioneering does not anticipate any difficulty in obtaining such a licence from Pegavision, if for some reason Visioneering were not licensed the technology, Visioneering would rely upon conventional Toric lens technology in NaturalVue Toric and NaturalVue MF Toric contact lenses, meaning that the number of permutations would in both cases be in the order of 1,800 for a daily disposable product: still small enough to be practically inventoried with all powers at eye care professionals' offices.

Assuming the development work is successful and Visioneering obtains a licence to use Pegavision's Toric lens system, Visioneering is targeting a US launch of the NaturalVue Toric contact lenses in the second half of 2017, and NaturalVue MF Toric contact lenses in the second half of 2018. These new products will not require additional clearance by the FDA, as they will be covered by the Company's existing 510(k) Clearance. See Section 3.5.1 for details.

3.8 Manufacturing

Visioneering outsources manufacturing of all of its products to Pegavision, a highly qualified contact lens OEM located in Taiwan. Taiwan is an established and well-accepted producer of medical devices, serving markets globally. The Company has worked closely with Pegavision since 2012, as the Company began to prepare for its broader US commercial launch of NaturalVue MF contact lenses.

Pegavision has the capacity to produce large volumes of lenses per year at a cost per unit that enables the Company to achieve gross margins of approximately 50% for NaturalVue Sphere contact lenses. NaturalVue MF contact lenses are expected to achieve gross margins exceeding 50% once cumulative production volumes of the NaturalVue MF contact lenses exceed 10 million contact lenses. The Company expects to achieve this in 2017.

NaturalVue MF contact lenses will be sold to eye care professionals at prices in line with industry benchmarks and competitive with other industry players.

Pegavision was inspected by the FDA in August 2016 and received a letter noting no adverse findings or deficiencies. Visioneering is also registered with the FDA and Visioneering and its quality management system were inspected by the FDA in April 2015, with the FDA noting no adverse findings or deficiencies.

3.9 Fulfilment

Visioneering outsources the warehousing and fulfilment of orders for its products to an industry leading, US-based contact lens fulfilment company used by all major global contact lens companies in the US.

The fulfilment company maintains customer accounts on Visioneering's behalf. When a patient chooses to purchase a Visioneering product (typically on the recommendation of their eye care professional), the eye care professional places the order on his or her own customer account with the fulfilment company. The fulfilment company receives the order, collects the funds from the eye care professional, pulls the product, and ships the product to the patient or the eye care professional. The fulfilment company also triages calls from eye care professionals and patients regarding the Company's products. If a call is medical in nature, the call is forwarded to Visioneering. Alternatively if the call is account-related, it is handled by the fulfilment company.

Doctor testimonial:

I have tried all the soft MF lenses on the market and never gotten satisfactory vision. I was recently fit in the NaturalVue MF. I can say this is the best vision at distance, intermediate, and near I have had in a soft lens.

Mary Brunner, OD, Georgia Optometry Group, Atlanta, Georgia, United States

3.10 Intellectual property

Visioneering protects key areas of invention for its products and technology through a combination of patents, copyright, trade secrets, trade mark law and confidentiality agreements.

The Company closely monitors intellectual property developments of both its own products and those of its competitors. The Company actively seeks to file additional patent applications as warranted by research and development activities. It also regularly monitors patents and applications of interest of its competitors on an on-going basis and analyses their relevance to the Company and the Company's products.

Visioneering has sought patent protection of key aspects of the mathematics and technology it uses in its Multifocal contact lenses and which it intends to use in its Multifocal Toric contact lenses. Visioneering has sought the patent protection in many of the countries and industries that are presently identified as target markets.

The Company's patent portfolio comprises:

- two issued patents and two pending patent applications in the United States;
- one issued patent and one pending patent application in Singapore;
- one issued patent and one pending patent application in Japan;
- two pending patent applications in the People's Republic of China;
- one pending patent application in Taiwan;
- one pending patent application in the Republic of Korea;
- one issued patent and one pending patent application under the European Patent Convention;
- one issued patent and one pending patent application in Australia;
- one issued patent in Spain;
- one issued patent in Austria; and
- one issued patent in Canada.

Sphere contact lenses involve optically simple designs and have been a commodity product offered by major contact lens manufacturers for many years. Like its main competitors, Visioneering's Sphere contact lenses are largely undifferentiated from other companies' Sphere contact lenses. As such, Visioneering will not apply for any patents in connection with its Sphere contact lenses. Please refer to Section 3.7.3(c) regarding the intellectual property being developed by Pegavision in relation to Toric contact lenses.

Visioneering protects its NATURALVUE, SEE NATURALLY, NEUROFOCUS OPTICS and REDEFINING VISION trade marks by maintaining the registration of those marks for use in connection with contact lenses in the United States and NATURALVUE is allowed as a trade mark in Canada.

A report on Visioneering's patent and trademark portfolio, prepared by Visioneering's patent attorney, Seyfarth Shaw LLP, is contained in Section 9 of this Prospectus.

Doctor testimonial:

Almost all researchers and clinicians can agree that the more peripheral plus, the better. NaturalVue MF is a game changer in that the magnitude of plus starting very close to the center of the lens exceeds anything that I have seen before.

Dr Justin Kwan, OD, Marshall B. Ketchum University, San Francisco, California, United States

03. Company overview

Case study

Sal Butera

Presbyopia Patient
San Diego, California

NaturalVue MF contact lenses – the greatest for active lifestyles!

After first experiencing difficulty reading music with our church choir, I soon found myself enslaved to reading glasses. Like so many people in their 40s and 50s, I had reading glasses scattered all over the house, on every end table, in the car, and around my desk at work. By necessity, they became my constant companion and remained within arm's reach at all times. I could never get use to the 'monovision' correction approach and wearing Bifocal Eyeglasses seemed worse to me than not being able to read.

Although I despised the inconveniences of reading glasses, I found myself increasingly dependent upon them; incessantly reaching for them – repeatedly taking them on and off. I was helpless without them in many situations and I looked silly with them hanging around my neck or perched at the end of my nose trying to see distant objects clearly over top.

All of that changed dramatically for the better the very moment I was fitted with NaturalVue MF contact lenses. These lenses gave me absolutely clear near and far vision, comfort, convenience of daily wear, ability to read even small text in all types of lighting, and freedom from reading glasses!

But, the most outstanding benefit I found with the NaturalVue MF contact lenses is during indoor or outdoor activities where reading glasses are either impractical or downright impossible. Having remained physically active well past age 40, while my body continues to perform well, my vision has deteriorated. The need for vision correction has posed a great challenge trying to read trail maps while out biking, hiking, skiing, or running. It was so frustrating to constantly dig in the backpack for a stupid pair of reading glasses just to confirm my location or destination on maps or a GPS device. However, while I was out mountain biking this summer wearing NaturalVue MFs, I could easily pull the trail map out of my pocket to see where we were going without pausing or getting off the bike.

I've found the clarity of vision with NaturalVue MF contact lenses to be remarkable, with an amazing and effortless transition from near to far focusing.

I would highly recommend them to everyone feeling trapped by the need for reading glasses. Imagine your day-to-day events greatly enhanced by the freedom from reading glasses and being able to see naturally with clarity and comfort – you owe it to yourself to see what you've been missing!

04.

Risk factors

04. Risk factors

4.1 Introduction

An investment in Visioneering is speculative and involves a number of risks.

Risks that the Board of Directors considers to be key risks are detailed in Section 4.2 below. These key risks are the strategic and operational risks that the Directors and management team focus on when managing the business. These risks may have a reasonable prospect of occurring, can be difficult to mitigate, and if they did occur, could have a very significant negative effect on Visioneering's financial position and the value of your investment. Other risks which may have a significant effect on Visioneering's business are detailed in Section 4.3 below.

There are also risks that are common to all investments in equity securities and which are not specific to an investment in Visioneering – for example, the general volatility of share prices in Australia and overseas, and risks associated with other external events which are not related to the usual course of Visioneering's business, such as changes in tax regulations or accounting standards, general economic conditions, acts of terrorism, natural disasters or war.

4.2 Key risks

Visioneering is reliant on eye care professionals accepting and recommending its products

Eye care professionals play a significant role in influencing the type of contact lenses used by patients. To achieve commercial success, Visioneering 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):

- 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;
- lack of long-term clinical data illustrating the benefits of NaturalVue MF contact lenses; and
- lack of willingness to invest the time required to learn the fitting process for NaturalVue MF contact lenses.

While Visioneering already has good relationships with a number of key opinion leaders in the US optometry industry, and has already undertaken an initial pilot launch, these factors alone do not ensure the widespread support of NaturalVue contact lenses among eye care professionals. If a significant number of eye care professionals in the US do not agree to sell and recommend NaturalVue contact lenses to their patients, or if they promote the products of competitors, this would adversely impact or delay Visioneering's ability to generate revenue and achieve profitability.

Visioneering may be unable to compete successfully with contact lenses in the market

The contact lens market is competitive. The four market leaders: Vistakon (a Johnson & Johnson company), CIBA Vision/ Alcon (owned by Novartis AG), Bausch & Lomb, Inc. (owned by Valeant Pharmaceuticals International, Inc.) and CooperVision (part of Cooper Companies, Inc.), have largely undifferentiated products and may engage in aggressive pricing competition. These competitors have substantially greater financial resources, research and development budgets, sales forces, market penetration and manufacturing volumes than Visioneering. They also have broader product ranges and offer complementary eye care products which Visioneering does not offer, examples of which include contact lens care products and ophthalmic pharmaceuticals, which may give them a competitive advantage in marketing their contact lenses. If Visioneering is unable to successfully respond to these competitive pressures and secure market share for its NaturalVue contact lenses, this could have a material adverse effect on its business, financial condition and results of operations.

Visioneering relies on a single manufacturer in Taiwan for its product

Visioneering's contact lenses are manufactured by Pegavision, an original equipment manufacturer (**OEM**) based in Taiwan (see the description of the current Pegavision Supply Agreement in Section 12.5). 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 Visioneering 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, Visioneering 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 Visioneering, including potentially impacting upon Visioneering's ability to obtain saleable product and harming customer goodwill.

If Visioneering needed to replace Pegavision as its contract manufacturer for any reason, Visioneering would require approximately nine months to identify and establish arrangements with a new OEM, partly because Visioneering 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, Visioneering monitors the market for contact lens OEMs for suitable alternative suppliers in case it should need one. In addition, Visioneering 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.

New or competing innovations in contact lenses could emerge

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 vision performance or more effective Myopia Progression control than NaturalVue MF contact lenses. Visioneering 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, Myopia and Astigmatism.

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 Visioneering's business, financial condition and results of operations.

In addition, further research on the other soft contact lenses described in Section 2.3.3(c) could find that such contact lenses are sufficiently effective at preventing or slowing Myopia Progression which would assist those contact lenses becoming a material competitive threat to NaturalVue MF contact lenses in any markets in which they and NaturalVue MF contact lenses are both sold.

Visioneering has limited sales, marketing and distribution resources

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

As Visioneering undertakes its broader commercial roll-out in the US and enters 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 Visioneering 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.

04. Risk factors

Visioneering may not be able to pass the regulatory hurdles and gain the necessary approvals and clearances to sell NaturalVue contact lenses in some countries

As discussed in Section 3.5, Visioneering has only received regulatory clearance to sell NaturalVue contact lenses in the US. Visioneering's international growth strategy is dependent on obtaining clearances or approvals from regulatory bodies in other jurisdictions. Despite receiving regulatory clearance in the US, Visioneering 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 contact lenses which affect their safety or efficacy may require new regulatory clearance or approval in some jurisdictions before Visioneering may sell the revised product.

Part of Visioneering's business strategy regarding paediatric Myopia relies on eye care professionals and other researchers collecting and publishing favourable efficacy data

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, Visioneering 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.

Although the 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 Visioneering 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 Visioneering expects, which could have a material adverse effect on Visioneering's business model and potential revenues.

Visioneering's Toric and Multifocal Toric contact lenses are still in development and may never be successfully commercialised

Visioneering 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 Visioneering's ability to:

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

If Visioneering 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 Visioneering's business and financial condition.

In addition, as Visioneering is working with Pegavision on the development of its Toric and Multifocal Toric contact lenses, any lenses ultimately developed will incorporate intellectual property owned by each of Visioneering and Pegavision and cross-licensed to each other. It will therefore be difficult for Visioneering 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 Visioneering were to replace Pegavision for any reason, Visioneering 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. See further Section 3.7.3(c) and the risk factor above regarding the consequences of the Company replacing Pegavision as its OEM.

The majority of Visioneering's revenue is generated from NaturalVue MF contact lenses

Visioneering 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 may not increase as quickly as Visioneering anticipates. Even if Visioneering increases the use of NaturalVue MF contact lenses by eye care professionals and patients, Visioneering may not be able to generate sufficient revenues or product margins to achieve profitability.

Visioneering is dependent on the protection and enforcement of its intellectual property rights

The protection of the intellectual property relied upon by Visioneering is critical to its business and commercial success. If Visioneering is unable to protect or enforce the intellectual property rights embodied in its NaturalVue contact lenses, there is a risk that other companies will incorporate the intellectual property into their technology, which could adversely affect Visioneering's ability to compete in the contact lens market.

Visioneering's patent portfolio comprises nine issued patents and ten pending patent applications, as detailed in Sections 3.10 and 9. No assurance can be given that the pending patent applications will result in issued patents. Furthermore, there is a risk that Visioneering'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 Visioneering with sufficient protection against competitive products and therefore Visioneering may be unable to prevent competitors from copying its products and technology, marketing products similar to Visioneering's products or designing around Visioneering's products.

4.3 Other risks

4.3.1 Risks related to Visioneering's business

Visioneering has a limited relevant operating history and may face difficulties encountered by companies early in their commercialisation

Visioneering has a limited relevant operating history upon which to evaluate its business and budget future sales and operating results. In assessing Visioneering's business prospects, you should consider the various risks and difficulties frequently encountered by companies early in their commercialisation in competitive markets, particularly companies that develop and sell medical devices. These risks include Visioneering's ability to:

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

04. Risk factors

Visioneering's current capital reserves (plus the net proceeds of the Offer) may not be adequate for Visioneering's future funding requirements

Visioneering is not yet profitable. The proceeds of the Offer will be used for a national launch of sales in the US, international expansion and the development of new products offerings. Visioneering may decide to use the proceeds of the Offer differently to its current plans, or may need to obtain additional funding to continue operations (or both), including if there is slower than anticipated market adoption of NaturalVue contact lenses in the US.

If Visioneering raises additional funds by issuing equity securities, Shareholders and CDI Holders may be diluted. Debt financing, if available, may involve covenants restricting Visioneering's operations or its ability to incur additional debt. Visioneering cannot guarantee the future availability of funds or that the funds will be available on terms which are favourable to it. If Visioneering requires additional funding and is unable to raise these funds, it could adversely impact Visioneering's business.

Visioneering must attract and retain skilled staff to pursue its business model

Visioneering'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 Visioneering will be unable to attract and retain the necessary staff to pursue its business model. In particular, if Dr Stephen Snowdy, Visioneering's CEO, were to leave Visioneering, it would lose significant technical and business expertise, and Visioneering may not be able to find a suitable replacement. This would affect how efficiently Visioneering operates its business and its future financial performance could be impacted. Visioneering has structured incentive programs for its key personnel. Despite these measures, there is no guarantee that Visioneering will be able to attract and retain suitable qualified personnel, which could negatively affect Visioneering's ability to reach its goals.

Visioneering may be subject to future third party intellectual property rights disputes

Visioneering 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 Visioneering 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 Visioneering infringes the rights of third parties, Visioneering could be prevented from selling NaturalVue contact lenses or any future products and be forced to defend against litigation and to pay damages.

4.3.2 Risks specific to the industry

Other forms of vision correction could decrease demand for contact lenses in the future

The contact lens industry competes with manufacturers of eyeglasses and with refractive surgical procedures that correct visual defects, such as LASIK. Visioneering 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 Visioneering's business and financial condition.

Visioneering's presence in the international marketplace exposes it to operational risks

As Visioneering's contact lenses are manufactured in Taiwan, Visioneering 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 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.

Furthermore, Visioneering intends to sell its products in 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.

4.3.3 Risks related to an investment in CDIs and the Offer

The Existing Holders could collectively exert control over Visioneering and may not make decisions that are in the best interests of all Shareholders

Immediately after the Offer, the Existing Holders are expected to beneficially own approximately 59.99% of the Shares. In particular, the Charter Life Sciences funds (Charter Life Sciences II, L.P., Charter Life Sciences (Ohio) II, L.P. and CLS II Annex Fund, LLC) and Memphis Biomed Ventures II, LP are expected to own 25.98% and 7.69% of the Shares, respectively (see Section 11.2.3). In total there are 179 Existing Holders, most of whom are unrelated to each other, however if these Existing Holders were to act together (and in particular, the Charter Life Sciences funds and Memphis Biomed Ventures II, LP), they would be able to exert a significant degree of influence over Visioneering's management and affairs and over matters requiring Shareholder approval, including the election of Directors and approval of significant corporate transactions. Accordingly, there is a risk that the Existing Holders may make collective decisions that do not accord with, or are not in the best interests of, other Shareholders and CDI Holders. For example, the Existing Holders could, through their concentration of ownership, delay or prevent a change of control, even if a change of control is in the best interests of Visioneering's other Shareholders and CDI Holders.

The ability to achieve a return on an investment in Visioneering will largely depend on an appreciation in the market price of the CDIs

Subscribing for CDIs involves various risks. The CDIs to be issued pursuant to the Offer carry no guarantee with respect to the payment of dividends, return of capital or market value. As Visioneering does not currently intend to pay dividends on its Shares, investors' ability to achieve a return on their investment in Visioneering will depend on an appreciation in the market price of the CDIs. There is no guarantee that the CDIs will appreciate in value or even maintain the same level as the Offer Price. Further, an active market in the CDIs may not develop or be sustained – in which case, investors may have difficulty selling their CDIs. Accordingly, there is a risk that investors may not achieve any return on their investment and could lose some or all of their investment.

Visioneering will incur exchange rate risks relating to the pricing of the Offer and listing on the ASX

The proceeds of the Offer will be received in Australian dollars, while Visioneering's functional currency is US dollars. Visioneering is not currently hedging against exchange rate fluctuations, and consequently it will be at the risk of any adverse movement in the US dollar-Australian dollar exchange rate between the pricing of the Offer and the closing of the Offer. If the Australian dollar falls during this period, the net proceeds of the Offer, after being converted to US dollars, will be reduced, meaning Visioneering will have less money to spend on the purposes set out in Section 7.2.1.

The CDIs will be listed on the ASX and priced in Australian dollars. However, Visioneering's reporting currency is US dollars. As a result, movements in foreign exchange rates may cause the price of Visioneering's securities to fluctuate for reasons unrelated to Visioneering's financial condition or performance and may result in a discrepancy between Visioneering's actual results of operations and investors' expectations of returns on securities expressed in Australian dollars.

04. Risk factors

Provisions of Visioneering's constituent documents and Delaware law could make an acquisition of Visioneering more difficult and may prevent attempts by Shareholders to replace or remove the current members of the Board

Certain provisions of Visioneering's Certificate of Incorporation and Bylaws could discourage, delay or prevent a merger, acquisition, tender offer or other means of effecting a change of control of Visioneering that Shareholders and CDI Holders may consider favourable, including transactions in which CDI Holders might otherwise receive a premium for their CDIs. Furthermore, these provisions could prevent or frustrate attempts by Shareholders and CDI Holders to replace or remove members of the Board or make other changes in management. 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. There is also a risk that Shareholders and CDI Holders who wish to participate in these transactions or other actions may not have the opportunity to do so. A summary of these provisions in Visioneering's Certificate of Incorporation and Bylaws is set out in Section 11.6.

In addition, Visioneering is governed by the provisions of section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit certain interested Shareholders, in particular those owning 15% or more of the voting rights on Shares, from merging or engaging in various other business combinations with Visioneering for a prescribed period. Section 203 is further described in item 20 of the table in Section 11.6.

The costs and management time involved in complying with Delaware laws, Australian laws and US reporting requirements are likely to be significant

As a Delaware company with an ASX listing and a registration as a foreign company in Australia, Visioneering will need to ensure its compliance with Delaware law and relevant Australian laws and regulations, including the Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between Delaware law and Australian law and regulations, Visioneering may need to make changes to its business operations, structure or policies to resolve such inconsistency. If Visioneering is required to make such changes, this is likely to result in interruptions to its operations, additional demands on Key Managers and extra costs.

Visioneering expects to become subject to the periodic reporting requirements of the US Exchange Act at some stage in the future, which would require it to register the Shares with the US Securities and Exchange Commission (SEC) under the US Exchange Act. Visioneering will become a reporting company if, among other things, Visioneering has (i) assets of more than US$10 million and (ii) either 2,000 or more holders of record of any class of equity securities or 500 or more holders of record of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the US Securities Act. Registration under the US Exchange Act will involve Visioneering filing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K. In the absence of a waiver from the Listing Rules, these SEC periodic reports will be in addition to Visioneering's periodic filings required by the Listing Rules. At the time Visioneering becomes subject to the reporting requirements of the US Exchange Act, Visioneering will also become subject to the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which will impose additional governance and reporting obligations. The legal and accounting costs and management time that will be required to comply with these obligations are expected to be significant.

Visioneering's Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation that may be initiated by Shareholders, which could limit the Shareholders' ability to obtain a favourable judicial forum for disputes with Visioneering

Visioneering's Certificate of Incorporation provides that unless Visioneering consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain actions involving Visioneering (refer to the description in item 19 of the table in Section 11.6). Any person or entity purchasing or otherwise acquiring any interest in shares of Visioneering's capital stock (including holders of CDIs) will be deemed to have notice of, and consented to, this forum selection provision. This provision in Visioneering's Certificate of Incorporation may have the effect of discouraging lawsuits against Visioneering or its Directors and officers and may limit Shareholders' ability to obtain a favourable judicial forum for disputes with Visioneering.

05.

Financial information

05. Financial information

5.1 Introduction

This Section 5 contains the following financial information in relation to Visioneering prepared by the Directors:

- summary historical statement of operations for the year ended 31 December 2014 (**FY2014**), year ended 31 December 2015 (**FY2015**), and the year ended 31 December 2016 (**FY2016**);
- summary historical statement of cash flows for FY2014, FY2015 and FY2016; and
- historical and pro forma balance sheets as at 31 December 2016 and the associated details of the pro forma adjustments,

(together, the **Historical Financial Information**).

The Historical Financial Information (other than the pro forma adjustments to the historical balance sheet as at 31 December 2016 and the results of those adjustments) has been derived from Visioneering's audited financial statements for FY2014, FY2015 and FY2016. The audited financial information has been prepared in US dollars and is presented in accordance with the accounting principles generally accepted in the United States (**US GAAP**).

A reconciliation between US GAAP and Australian equivalents to International Financial Reporting Standards (**AIFRS**) is contained in Section 5.6.

All amounts disclosed in this Section are rounded to the nearest US$1,000. As with the rest of this Prospectus, this Section 5 assumes an indicative foreign exchange rate of A$1.00 = US$0.75.

The audited financial statements for FY2014, FY2015 and FY2016, were audited by Grant Thornton Audit Pty Ltd. The audit report issued to the Directors of Visioneering for FY2015 was a qualified audit opinion due to Grant Thornton Audit Pty Ltd being appointed on 5 August 2016 which was after the financial year end. The qualification was in relation to not being able to observe the counting of physical inventories at 31 December 2015. An unqualified opinion was issued for FY2014 and FY2016.

The Historical Financial Information has been prepared assuming the Company will continue as a going concern, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. The Company's ability to achieve profitability is dependent primarily on its ability to successfully gain market share in the United States where the Company has already begun selling NaturalVue MF contact lenses. As such, the Company is dependent on the Offer (together with its cash reserves at the Original Prospectus Date amounting to approximately US$4.3 million) to support operations until sufficient market share can be obtained. The Company intends to raise sufficient capital to finance its operations as set out in this Prospectus. See Section 7.2.1 for further details.

The Historical Financial Information has been reviewed by Grant Thornton Corporate Finance Pty Ltd, which issued the Independent Limited Assurance Report contained in Section 8. The Directors are however responsible for the inclusion of all financial information in this Prospectus.

The Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- management's discussion and analysis set out in this Section 5;
- the risk factors described in Section 4;
- the description of the use of the proceeds of the Offer described in Section 7.2.1;
- the Independent Limited Assurance Report, set out in Section 8; and
- the indicative capital structure described in Section 11.2.1.

Investors should note that past performance is not an indication of future performance.

5.2 Non US GAAP financial measures

The Historical Financial Information contained in this Prospectus has been prepared in accordance with US GAAP which is different to AIFRS, the accounting principles generally accepted in Australia. A reconciliation of the main differences between US GAAP and AIFRS applicable to the Company which are relevant to potential investors and their professional advisers are discussed in Section 5.6.

Investors should also be aware that certain financial data included in Section 5 is also 'non US GAAP financial information'. The Company believes that this non US GAAP financial information provides useful information to users in measuring the financial performance and conditions of Visioneering. As non US GAAP measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which the Company calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non US GAAP financial information and ratios.

In particular, the following non US GAAP financial data is included:

- EBITDA, which means earnings before interest, taxation, depreciation and amortisation;
- EBIT, which means earnings before interest and taxation;
- Active Accounts, which means the number of customer accounts which placed a purchase order during the previous quarter (i.e. Q1, Q2, Q3 or Q4, as the case may be); and
- LTM revenue, which means the trailing 12 months' revenue.

5.3 Historical statement of operations

The table below presents the summary historical statement of operations for FY2014, FY2015 and FY2016.

		Audited	
US$'000s	**Year ended 31 December 2014**	**Year ended 31 December 2015**	**Year ended 31 December 2016**
Revenue	–	53	216
Cost of goods sold	–	(43)	(165)
Gross margin	**–**	**10**	**51**
Operating expenses	(1,682)	(2,445)	(3,696)
EBITDA	**(1,682)**	**(2,435)**	**(3,645)**
Depreciation and amortisation	(3)	(6)	(20)
EBIT	**(1,685)**	**(2,441)**	**(3,665)**
Finance costs	(297)	(590)	(1,292)
Net loss before tax	**(1,982)**	**(3,031)**	**(4,957)**
Income tax benefit / expense	–	–	–
Net loss after tax	**(1,982)**	**(3,031)**	**(4,957)**

5.3.1 General factors affecting the operating results of Visioneering

Below is a discussion of the main factors which affected Visioneering's operations and relative financial performance in FY2014, FY2015 and FY2016, which Visioneering expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected Visioneering's historical operating and financial performance, nor everything which may affect Visioneering's operations and financial performance in the future.

05. Financial information

5.3.2 Revenue

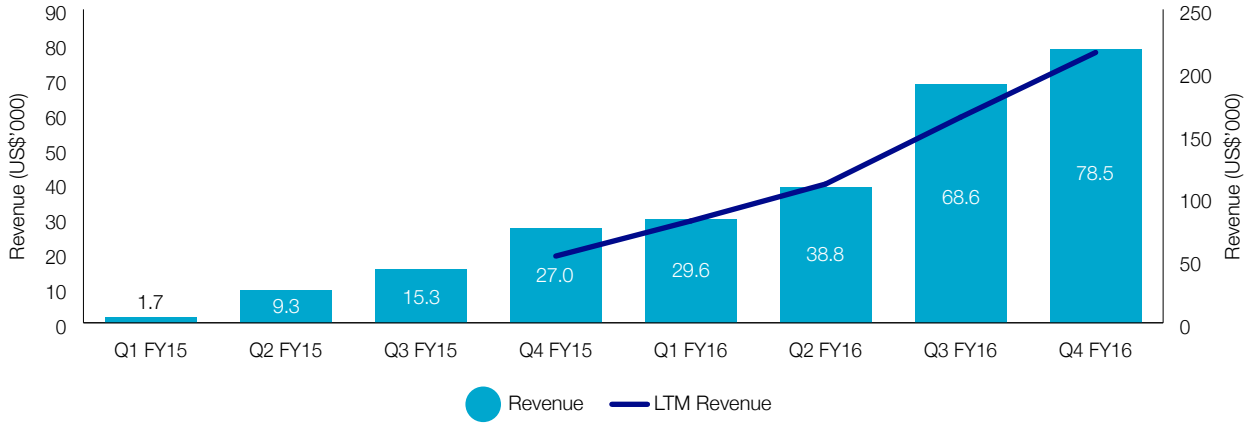
Visioneering generates revenues through the sale of NaturalVue MF contact lenses to eye care professionals, with revenue being recognised on despatch to customers. Between 2013 and early 2015, Visioneering conducted US clinical trials in adults with Presbyopia. The Company received 510(k) Clearance by the FDA in October 2014 and therefore did not generate any revenue in FY2014.

In the first half of FY2015, Visioneering conducted an initial pilot launch of the NaturalVue MF contact lenses in the US with a small number of high profile accounts to, amongst other things, develop and test marketing materials, develop eye care professional training methods and materials, optimise fulfilment, and to lay the groundwork for a future national launch in the US. Following the pilot launch and with just one field sales representative selling a limited number of NaturalVue MF contact lens SKUs, orders were received that resulted in revenues of US$53,000 in FY2015.

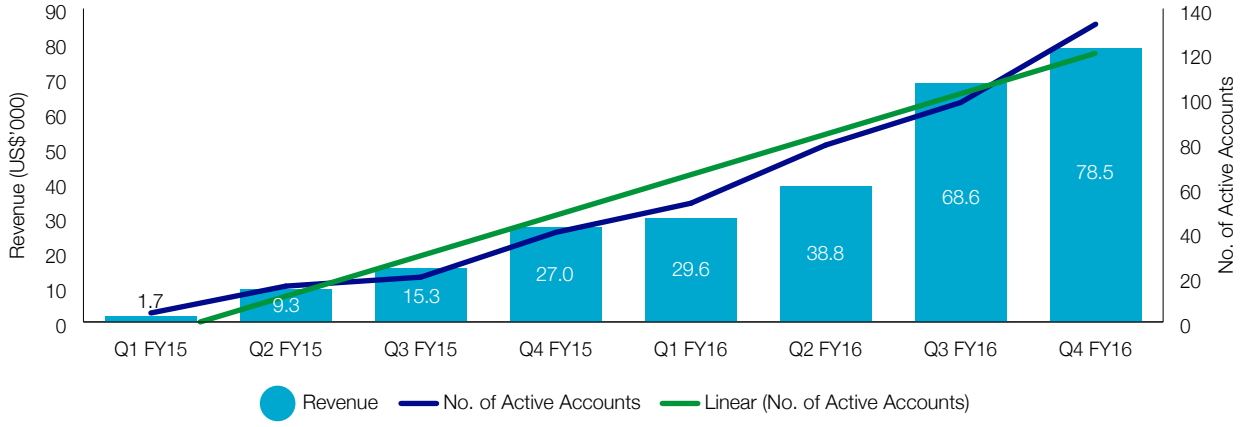
During Q3 and Q4 of FY2016 (following receipt of the majority of the proceeds from the Australian Notes, the sales team was expanded, resulting in sales and the number of customer accounts increasing month on month. Sales generated in FY2016 amounted to approximately US$216,000 with 134 Active Accounts at 31 December 2016.

To date all sales of NaturalVue MF contact lenses have been in the US.

Quarterly revenue and LTM revenue trend



Quarterly revenue and number of accounts trend



5.3.3 Cost of goods sold

Cost of goods sold relates to the cost of manufacturing the NaturalVue MF contact lens, which is outsourced to Pegavision in Taiwan.

In addition, cost of goods sold includes merchant fees which are paid to the fulfilment company described in Section 3.9. Cost of goods sold is recognised on a basis consistent with revenue recognition.

5.3.4 Gross margin

Visioneering has generated a positive gross margin (19.7% in FY2015 and 23.6% in FY2016) since commencing the sale of the NaturalVue MF contact lenses in March 2015 and expects future improvements in gross margin as scale advantages are achieved from increased volumes (see further Section 3.8).

5.3.5 Operating expenses

Operating expenses includes salaries and wages of management, clinical including research and development and sales staff, in addition to professional fees, travel expenses, rent and utilities, and other costs incurred in the course of operations. As manufacturing and fulfilment are outsourced, Visioneering currently has limited company infrastructure requirements.

In FY2014, the majority of operating expenses related to employee expenses and the associated regulatory costs for obtaining the 510(k) Clearance by the FDA.

In FY2015, employee expenses and sales and marketing costs increased following the hiring of a sales representative for the pilot launch in March 2015.

In FY2016, employee expenses have further increased as additional sales and logistics personnel have been hired in anticipation of the broader US commercial roll-out. In addition clinical costs were incurred in relation to product line extensions.

At 31 December 2016 the headcount on a full time equivalent basis was 14.

5.4 Historical statement of cash flows

The table below presents the summary historical statement of cash flows for FY2014, FY2015 and FY2016.

	Audited		
US$'000s	**Year ended 31 December 2014**	**Year ended 31 December 2015**	**Year ended 31 December 2016**
Cash flows from operating activities			
EBITDA	(1,682)	(2,435)	(3,645)
(Increase) / decrease in working capital	1	(109)	(1,897)
Unrealised foreign exchange	–	–	(383)
Net cash inflow / (outflow) from operating activities	**(1,681)**	**(2,544)**	**(5,925)**
Cash flows from investing activities			
Payments for the purchase of property and equipment	–	(20)	(17)
Payments for intangible assets	(79)	(38)	(130)
Net cash inflow / (outflow) from investing activities	**(79)**	**(58)**	**(147)**
Cash flows from financing activities			
Proceeds from issuance of convertible debt	1,700	2,537	11,727
Net cash inflow from financing activities	**1,700**	**2,537**	**11,727**
Net increase / (decrease) in cash and cash equivalents	(60)	(65)	5,655
Cash and cash equivalents at the beginning of the period	144	84	19
Cash and cash equivalents at the end of the period	**84**	**19**	**5,674**

5.4.1 Operating cash flows

Visioneering has yet to generate positive cash flows from operations as its NaturalVue products have been under development and have yet to undergo a broad US commercial launch. Although product sales were generated in FY2015 and FY2016, operating expenses exceeded revenues resulting in negative operating cash flows.

In FY2016, following the receipt of proceeds from the issue of Australian Notes, approximately US$1.9 million was invested in working capital (predominately inventory) in anticipation of the broader commercial roll-out following Listing. Inventory on hand at 31 December 2016 amounted to approximately US$1.9 million, with a further approximately US$0.3 million pre-order deposit to Pegavision given the manufacturing lead time of approximately three months.

5.4.2 Investing cash flows

Investing cash flows have historically related to office equipment as the manufacturing of products and fulfilment are both outsourced. Payments for patent costs related to the capitalised legal fees in association with patents held or applied for by Visioneering.

5.4.3 Financing cash flows

Financing cash inflows have related to the following:

FY2014

During FY2014, the Company raised approximately US$1.7 million (net of transaction costs) by issuing convertible promissory notes. Interest on the convertible promissory notes is payable upon maturity and accrues a rate of 6% per annum, but will be converted into Shares on the Allotment Date as described in Section 11.3 rather than being repaid as cash.

FY2015

During FY2015, the Company raised approximately US$2.5 million (net of transaction costs) by issuing convertible promissory notes. Interest on the convertible promissory notes is payable upon maturity and accrues a rate of 10% per annum, but will be converted into Shares on the Allotment Date as described in Section 11.3 rather than being repaid as cash.

FY2016

During FY2016, the Company raised approximately US$11.7 million (net of transaction costs) by issuing convertible promissory notes and preferred stock. This includes US$10.3 million raised by issuing convertible promissory notes between July and November 2016 (see Section 11.3). Interest on the convertible promissory notes is payable upon maturity and accrues a rate of 10% per annum, but will be converted into Shares on the Allotment Date as described in Section 11.3 rather than being repaid as cash.

As at 31 December 2016, Visioneering had cash reserves of approximately US$5.7 million.

5.5 Historical and pro forma balance sheets

5.5.1 Balance sheets

The table below sets out the audited historical balance sheet as at 31 December 2016, the pro forma adjustments that have been made to the audited balance sheet (further described in Section 5.5.2) and the pro forma balance sheet as at 31 December 2016.

The pro forma balance sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of Visioneering's view of its future financial position and includes a convenience translation to Australian dollars at the Indicative Exchange Rate.

05. Financial information

As at 31 December 2016	Adjustments[1]	Audited US$'000	Pro forma adjustments US$'000	Pro forma US$'000	Pro forma A$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	(ii) and (iii)	5,674	22,885	28,559	38,080
Accounts receivable trade, net		30	–	30	40
Inventory		1,897	–	1,897	2,529
Prepaid expenses		709	(363)	346	462
TOTAL CURRENT ASSETS		**8,310**	**22,522**	**30,832**	**41,111**
NON CURRENT ASSETS					
Property and equipment, net		43	–	43	57
Intangible assets		258	–	258	344
Employee advances		10	–	10	14
TOTAL NON CURRENT ASSETS		**311**	**–**	**311**	**415**
TOTAL ASSETS		**8,621**	**22,522**	**31,143**	**41,526**
LIABILITIES					
CURRENT LIABILITIES					
Convertible notes payable	(i)	11,712	(11,712)	–	–
Trade and other payables		712	(302)	410	546
TOTAL CURRENT LIABILITIES		**12,424**	**(12,014)**	**410**	**546**
NON CURRENT LIABILITIES					
Convertible notes payable	(i)	10,136	(10,136)	–	–
TOTAL LONG TERM LIABILITIES		**10,136**	**(10,136)**	**–**	**–**
TOTAL LIABILITIES		**22,560**	**(22,150)**	**410**	**546**
NET ASSETS		**(13,939)**	**44,672**	**30,733**	**40,980**
STOCKHOLDER EQUITY					
Issued capital		7,962	45,151	53,113	70,819
Accumulated deficit		(21,901)	(479)	(22,380)	(29,839)
TOTAL STOCKHOLDER EQUITY	(i), (ii) and (iii)	**(13,939)**	**44,672**	**30,733**	**40,980**
TOTAL STOCKHOLDER EQUITY & LIABILITIES		**8,621**	**22,522**	**31,143**	**41,526**

1 References to adjustments correspond to the paragraph numbering in Section 5.5.2.

5.5.2 Description of pro forma adjustments

The following transactions and events had not occurred prior to 31 December 2016, but have taken place or will take place on or before the Allotment Date and are accounted for in the pro forma share capital calculations in Section 5.5.4. The pro forma financial information in this Section 5.5.2 assumes that they occurred on or before 31 December 2016:

(i) the conversion of principal and accrued interest on the Convertible Notes into 92,801,496 Shares, assuming the Restructuring occurs on 22 March 2017 (refer to Section 11.4);

(ii) the completion of the Offer, raising approximately A$33.3 million (or US$25.0 million) and involving the issue of 79,365,079 CDIs (representing the same number of Shares); and

(iii) expenses associated with the Offer (including advisory, legal, accounting and administrative fees as well as printing, advertising and other expenses), charged against share capital. The total amounts to an estimated approximately US$2.3 million, approximately US$0.5 million of which was paid prior to 31 December 2016, and approximately US$0.3 million which had been accrued and unpaid.

5.5.3 Calculation of pro forma cash position

The pro forma cash and cash equivalents shown in Section 5.5.3 are based on the following adjustments:

	Pro forma adjustments[1]	Pro forma US$'000
Cash and cash equivalents at 31 December 2016		5,674
Pro forma transactions:		
Offer	(ii)	25,000
Cash costs of the Offer	(iii)	(2,115)
Pro forma cash and cash equivalents		28,559

1 References to adjustments correspond to the paragraph numbering in Section 5.5.2.

5.5.4 Calculation of pro forma share capital

The pro forma share capital and additional paid-in capital shown in Section 5.5.4 are based on the following adjustments:

	Pro forma no. of Shares	Pro forma adjustments[1]	Pro forma US$'000
Share capital and additional paid-in capital at 31 December 2016	26,195,056		7,962
Conversion of Convertible Notes into Shares	92,801,496	(i)	22,326
Shares outstanding prior to the Offer	118,996,552		30,288
Offer	79,365,079	(ii)	25,000
Costs of the Offer		(iii)	(2,175)
Pro forma share capital and additional paid-in capital	198,361,631		53,113

1 References to adjustments correspond to the paragraph numbering in Section 5.5.2.

5.5.5 Net indebtedness and equity before and after completion of the Offer

The below table sets out the indebtedness and capitalisation of Visioneering as at 31 December 2016, before and after completion of the Offer:

	Before completion of the Offer US$'000	After completion of the Offer	After completion of the Offer A$'000
Cash and cash equivalents	5,674	28,559	38,080
Convertible notes payable (current)	(11,712)	–	–
Convertible notes payable (non current)	(10,136)	–	–
Total (indebtedness) / net cash	**(16,174)**	**28,559**	**38,080**
Issued capital	7,962	53,113	70,819
Accumulated losses	(21,901)	(22,380)	(29,839)
Total equity	**(13,939)**	**30,733**	**40,980**
Total capitalisation and indebtedness	**(30,113)**	**59,292**	**79,060**

5.6 Reconciliation between US GAAP and AIFRS

The Historical Financial Information contained in this Prospectus has been prepared in accordance with US GAAP which is different to AIFRS, the accounting principles generally accepted in Australia. As a US company, Visioneering will only be required to lodge US GAAP financials with ASIC and the ASX has confirmed that Visioneering may solely report in US GAAP once listed on the ASX (and the audit of those financial reports will be conducted in accordance with International Auditing Standards). Future financial information of Visioneering will not be prepared under AIFRS.

The Directors have reviewed the differences between US GAAP and AIFRS applicable to Visioneering's most recent audited balance sheet being 31 December 2016 which are relevant to potential investors and their professional advisers. Although historically the recognition and measurement of the Preferred and convertible debt instruments would have been different under AIFRS compared to US GAAP as these instruments all convert to Shares on the Allotment Date, the Directors do not consider these differences relevant to potential investors under the Offer or their professional advisers. Therefore, the Directors have identified the following material differences relevant to potential investors under the Offer relating to the pro forma balance sheet at 31 December 2016.

5.6.1 Costs of the Offer

Under US GAAP, costs incurred in issuing stock and listing Visioneering on the ASX are classified as a reduction of equity (or as an asset until Shares issued). Under AIFRS, only those costs of the Offer directly attributable to additional issued Shares or CDIs under the Offer can be offset against equity. Expenses relating to listing Visioneering for the benefit of existing securityholders are required to be expensed and costs relating to all securityholders are split between equity and expenses based on the proportion of security holding (on a fully diluted basis) of new and existing securityholders. Accordingly, if the Directors had prepared the pro forma balance sheet in Section 5.5 in accordance with AIFRS, approximately US$0.6 million of the estimated approximately US$2.3 million offer costs would be treated as an expense through the statement of operations rather than an offset against stockholder's equity. Under US GAAP, the amount that is treated is an expense through the statement of operations is US$0.2 million.

5.6.2 Research and development expenditure

Under AIFRS, research costs are expensed and development costs may be capitalised providing the recognition criteria (based on achieving technical feasibility milestones) are met and are then amortised over the expected useful life of the asset. As such, for a determination of research and development expenditure to be capitalised recognition criteria must be applied to the research and development expenditure attributable to the development of NaturalVue MF contact lens. Accordingly, if the Directors had historically reported in accordance with AIFRS at 31 December 2016, approximately US$0.9 million of development expenditure incurred and expensed could have been capitalised with approximately US$0.3 million of amortisation recorded since sales commenced in February 2015. Therefore net assets and pro forma net assets set out in Section 5.5 would be approximately US$0.6 million higher under AIFRS.

06.

Directors and other key people, interests and benefits

06. Directors and other key people, interests and benefits

6.1 Board

The Directors of Visioneering bring to the Board relevant expertise and skills, including industry experience in medical device and early stage technology companies, and business knowledge.

6.1.1 Directors' backgrounds

Director name and position	Age	Relevant qualifications, experience and expertise
 **Dr Stephen Snowdy** *Chief Executive Officer and Executive Director*	47	• Dr Snowdy initially joined the Board of Visioneering as Chairman in May 2009 and has served as Chief Executive Officer since June 2013. Dr Snowdy is responsible for the overall management and strategic direction of the Company. • Dr Snowdy has 13 years' experience in life science investing and executive management. Since 2010, Dr Snowdy has been the owner of Ansley Venture Consulting, LLC, a consulting and management firm for life science ventures. Dr Snowdy was an entrepreneurial mentor for the Wallach H. Coulter Foundation where he assists university medical researchers in understanding the business of medicine and in experimental design. • Dr Snowdy was previously the Chief Executive Officer for Abby Med, LLC, a start-up pharmaceutical company dedicated to the development of a novel class of cancer drugs, and was the Chairman and Chief Executive Officer of Calosyn Pharma, Inc., a Phase 2 osteoarthritis company. He was also a Partner from 2003 to 2011 at MB Venture Partners, a life sciences venture capital firm. • Dr Snowdy received a Doctorate in Philosophy with a major in Neurobiology and a Master of Business Administration from the University of North Carolina at Chapel Hill. Dr Snowdy also received a Bachelor of Science with a major in Chemistry from the University of Florida.
 **Mr Fred Schwarzer** *Chairman of the Board and Non-executive Director* *Member of the Nomination and Remuneration Committee*	64	• Mr Schwarzer is a Managing Partner at Charter Life Sciences, a US venture capital investment firm, where he focuses on life sciences investments. He has led investments by Charter Life Sciences in a number of biopharmaceutical and medical device companies, including Inviragen, Inc. (acquired by Takeda Pharmaceuticals). • Mr Schwarzer currently serves on the boards of Amaranth Medical, Inc., Great Lakes Pharmaceuticals, Inc., Health Fidelity, Inc., IGM Biosciences, Inc., Kereos, Inc. and Mirabilis Medical, Inc. • Mr Schwarzer received his Juris Doctor from the University of California, Berkeley after graduating with a Bachelor of Arts from the University of Michigan.

Director name and position	Age	Relevant qualifications, experience and expertise
 **Mr Gary Stevenson** *Non-executive Director* *Member of the Audit and Risk Committee*	54	• Mr Stevenson is Co-Founder and Managing Partner of MB Venture Partners, a US venture capital investment firm, which focuses on life sciences investments. He has led investments by MB Venture Partners in a number of medical device and biotechnology companies, including BioMimetic Therapeutics, which completed its US initial public offering in 2006 and was later acquired by Wright Medical in 2013 for US$380 million. • Mr Stevenson has over 20 years' experience in health care investment banking and research. He also spent seven years in a variety of general management roles with Abbott Laboratories. • Mr Stevenson currently serves on the boards of Hapten Sciences, Inc., Focal Point Pharmaceuticals, Inc., iScreen Vision, Inc., Restore Medical Solutions, Inc., MB Innovations, Inc., View Medical, Inc., Better Walk, Inc., CamPlex, Inc., Ortho Kinematics, Inc., and CrossRoads Extremity Systems. Mr Stevenson also serves on the board of Life Science Tennessee and ZeroTo510. • Mr Stevenson received a Bachelor of Science in Accountancy from the University of Missouri and a Master of Management from the J.L. Kellogg Graduate School of Management at Northwestern University. He is a Chartered Financial Analyst and a Certified Public Accountant (inactive).
 **Ms Christine Van Heek** *Non-executive Director* *Chair of the Audit and Risk Committee and member of the Nomination and Remuneration Committee*	60	• Ms Van Heek is Managing Partner at Bio Point Group, LLC, a US-based life sciences consulting group. Ms Van Heek also currently serves as a director of Concert Pharmaceuticals, Inc., a NASDAQ-listed biotechnology company. Ms Van Heek also served on the board of Affymax, Inc., a previously NASDAQ-listed biopharmaceutical company, from 2007-2014. • Ms Van Heek has served as an adviser to several companies in the bio-pharmaceutical industry. From 1991 to 2003, Ms Van Heek served in various roles at Genzyme Corporation, a biotechnology company acquired by Sanofi S.A., including as Officer and President of the Therapeutics Division, General Manager of the Renal Division and Vice President of Global Marketing. Whilst at Genzyme Corporation, she built and managed the world-wide commercial organisation for the Therapeutics and Renal Divisions, and led the execution of five global product launches. • Ms Van Heek received a Bachelor of Science in Nursing from the University of Iowa and a Master of Business Administration from Lindenwood University.

06. Directors and other key people, interests and benefits

Director name and position	Age	Relevant qualifications, experience and expertise
 **Ms Zita Peach** *Non-executive Director* *Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Committee*	52	• Ms Peach has more than 30 years of commercial experience in the pharmaceutical, biotechnology, medical device and healthcare sectors. Ms Peach has held senior roles in marketing, commercialising products and technologies, business development, licensing and mergers and acquisitions. • Ms Peach's previous executive roles include Managing Director for Australia and New Zealand, and Executive Vice President for South Asia Pacific, at Fresenius Kabi, a leading provider of pharmaceutical products and medical devices to hospitals, as well as Vice President of Business Development, R&D at CSL Limited (ASX: CSL). • Ms Peach currently serves on the boards of ASX-listed Starpharma Holdings Limited (ASX: SPL), Monash IVF Group Limited (ASX: MVF) and AirXpanders, Inc. (ASX: AXP). She also holds board positions with Bionic Vision Technologies Pty Ltd, Vision Eye Institute Limited, Hudson Institute of Medical Research and Mt Buller and Mt Stirling Alpine Resort Management Board. • Ms Peach received a Bachelor of Science from the University of Melbourne and is a graduate of the Australian Institute of Company Directors.

Each Director has confirmed that he or she anticipates being available to perform their respective duties as a Non-executive Director or Executive Director (and employee), as the case may be, of Visioneering.

The Non-executive Directors have advised the Company that they hold current positions with other organisations (described above). However, no Director believes that any other commitment will place constraints on their availability as a Director.

6.1.2 Independence of the Directors

In considering the independence of the Directors, the Board has had regard to the factors relevant to assessing independence, as set out in the ASX Corporate Governance Principles.

The Board considers that a Director is an independent Director where that Director is free from any business or other relationship which could interfere with, or reasonably be perceived to interfere with, the independent exercise of the Director's judgement. Based on this review, the Board has determined that:

- Dr Stephen Snowdy, Mr Fred Schwarzer and Mr Gary Stevenson are not considered to be independent Directors; and
- Ms Christine Van Heek and Ms Zita Peach are considered to be independent Directors.

Mr Fred Schwarzer and Mr Gary Stevenson are not considered to be independent Directors due to their respective relationships with certain substantial Shareholders of Visioneering, being, with regard to Mr Schwarzer, Charter Life Sciences and with regard to Mr Stevenson, Memphis Biomed Ventures II, LP.

The Board may, following admission to the ASX, consider appointing a further independent Director. A process has been initiated to identify candidates.

6.1.3 Classes of Directors

Upon listing on the ASX, the Board will be divided into three classes with staggered three year terms. At each annual meeting of Shareholders commencing with the 2018 meeting, the Directors whose term then expires will be eligible for re-election to serve for a three year term (i.e. until the third annual meeting following their re-election).

The Directors will be divided into three classes as follows:

Director	Class	Expiration of term
Mr Gary Stevenson	Class I	2018 Annual General Meeting
Mr Fred Schwarzer and Ms Christine Van Heek	Class II	2019 Annual General Meeting
Dr Stephen Snowdy and Ms Zita Peach	Class III	2020 Annual General Meeting

6.2 Key Managers

Name and position	Relevant qualifications, experience and expertise
 **Dr Stephen Snowdy** *Chief Executive Officer*	• Refer to Section 6.1.1.
 **Mr Tony Sommer, Jr.** *Senior Vice President Sales and Marketing*	• Mr Sommer joined Visioneering in September 2016 and is responsible for the sales and marketing of Visioneering's products. • Mr Sommer has 20 years' experience in sales and marketing management, including a number of years' experience in the eyecare industry having held senior sales and marketing positions and led sales teams at CIBA Vision and Bausch & Lomb. Mr Sommer was previously head of sales for Bausch & Lomb's US Vision Care division. • Mr Sommer received a Bachelor of Science from the United States Air Force Academy and a Master of Business Administration from Oklahoma City University.

06. Directors and other key people, interests and benefits

Name and position	Relevant qualifications, experience and expertise
 **Dr Sally Dillehay** *Chief Medical Officer, Vice-President, Clinical and Regulatory Affairs, Corporate Secretary*	• Dr Dillehay joined Visioneering in November 2008 and is responsible for overseeing the clinical and regulatory affairs of Visioneering. Dr Dillehay also acts as the Corporate Secretary. • Dr Dillehay has 35 years' experience in research, statistics and clinical trials in eye and vision care. Dr Dillehay is a Fellow of the American Academy of Optometry and is a Diplomate at the Cornea, Contact Lenses and Refractive Technology Section at the American Academy of Optometry. • Prior to joining Visioneering, Dr Dillehay spent over 15 years at CIBA Vision, serving in various senior roles, including as Director of Medical Marketing and Clinical Claims Research where she led 100+ clinical trials. Dr Dillehay also previously served on the faculty at The Ohio State University as Chief of Ophthalmic Prescription Services and Assistant Chief of Optometric Services. • Dr Dillehay received a Doctorate of Optometry and Master of Science from The Ohio State University and a Doctorate of Education from Nova Southeastern University.
 **Ms Rosa Lee** *Executive Director of Manufacturing and Engineering*	• Ms Lee joined Visioneering in October 2016 and is responsible for the development and execution of manufacturing planning and forecasts. • Ms Lee has 14 years' experience in product development in the eyecare industry, including almost 12 years' experience in ophthalmic product development at Bausch & Lomb and another two years at SynergEyes, Inc. • Ms Lee received a Master of Science in Biomedical Engineering from the University of Rochester.
 **Ms Judith Vitale** *Chief Financial Officer*	• Ms Vitale has been providing CFO services to Visioneering since April 2014. Her responsibilities include managing financial reporting and liaising with the Company's auditors and other relevant advisers. • Ms Vitale is the founder and president of Vitale CFO, providing part-time and interim CFO services to small and mid-sized companies. She has over 25 years of experience in financial, accounting and operational management and has served as CFO of a number of companies. Ms Vitale currently serves on the board of directors of the Atlanta chapter of the National Association of Women Business Owners, as well as on the boards of Atlanta-based TechBridge and Startup Chicks. • Ms Vitale received a Bachelor of Science in Management from Shorter College.

Each Key Manager has confirmed that they anticipate being available to perform their respective roles without constraint from other commitments.

6.3 Disclosures

No Director or Key Manager has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant to the performance of their role with Visioneering or which is relevant to an investor's decision as to whether to subscribe for CDIs under the Offer.

Until December 2016, Mr Fred Schwarzer was a director of Minimally Invasive Devices, Inc., a venture-stage surgical device company. The secured lender to the company foreclosed on its loan in January 2017 after the company was unable to raise further funds to continue its operations or sell its assets before the foreclosure. As far as Mr Schwarzer is aware, no formal administration has been entered into, but the lender is in the process of seeking to realise value for the company's assets.

Apart from this, no Director or Key Manager has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

6.4 Medical Advisers

Visioneering is supported by a number of eye care professionals across the United States who are experts in their field (**Medical Advisers**). The Medical Advisers provide advice and assistance to Visioneering as required, including in relation to needs and opportunities for Visioneering's business, feedback on products and clinical trials. The Medical Advisers to Visioneering are set out below.

Name	Position and affiliations	Role as Adviser	Fees (US$)
Tim Poling, OD	Botetourt Eye Care, Virginia	Consultant Principal Investigator	$500 per hour for consulting. Fee varies by protocol for each clinical trial.
Doug Benoit, OD, FAAO	Concord Eye Center, New Hampshire	Consultant Principal Investigator	$500 per hour for consulting and $1,000 per day for Company-related presentations. Fee varies by protocol for each clinical trial.
Jeffrey Cooper, OD, FAAO	Cooper Eye Care, New York Professor Emeritus, State University of New York College of Optometry, New York	Consultant Principal Investigator	$500 per hour for consulting and $1,000 per day for Company-related presentations. Fee varies by protocol for each clinical trial.
Alan Glazier, OD, FAAO	Shady Grove Vision Care, Maryland	Consultant Principal Investigator	$500 per hour for consulting and $1,000 per day for Company-related presentations. Fee varies by protocol for each clinical trial.
Brett O'Connor, OD	Pullen Eye Care, Florida	Consultant Principal Investigator	$500 per hour for consulting and $1,000 per day for Company-related presentations. Fee varies by protocol for each clinical trial.
Richard Griffin, OD	Griffin Eye Care, Florida	Founding Consultant Principal Investigator	$500 per hour for consulting (minimum $2,100 per month).
Lisa Heuer, OD	Valley Vista Eye Care, California	Consultant	$500 per hour for consulting and $1,000 per day for Company-related presentations.

In addition to the above, each Medical Adviser is entitled to be reimbursed for travel and expenses relating to their services in accordance with the Company's guidelines.

6.5 Interests and benefits

6.5.1 Overview

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer and Visioneering. Other than as set out below or elsewhere in this Prospectus:

- no Director or proposed Director has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of Visioneering or the Offer; and
- none of the following persons:
  - a Director or proposed Director of Visioneering;
  - each person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
  - a promoter of Visioneering; or
  - an underwriter to any part of the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the any part of Offer,

  holds or held at any time during the last two years an interest in:
  - the formation or promotion of Visioneering;
  - property acquired or proposed to be acquired by Visioneering in connection with its formation or promotion, or the Offer; or
  - the Offer,

  or was at any time paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, for services provided by such person in connection with the formation or promotion of Visioneering, or the Offer.

6.5.2 Chief Executive Officer

As Chief Executive Officer, Dr Snowdy will receive an initial base salary of US$360,000 per year (subject to annual review) from Listing. Dr Snowdy will also be eligible to receive an annual cash bonus of up to 50% of his base salary at the discretion of the Nomination and Remuneration Committee and Board. Certain other benefits are also payable to Dr Snowdy such as health insurance (for which 70% of the premiums are paid by the Company), short-term and long-term disability insurance, and reimbursement of travel and other expenses incurred in attending to Visioneering's affairs. Dr Snowdy may also participate in Visioneering's 401(k) Plan – see Section 6.5.8.

Dr Snowdy has received grants of Options under the 2008 Plan (see Section 6.5.4 for details). Dr Snowdy will also have the opportunity to receive further grants of securities under the 2017 Plan subject to Board approval and the Listing Rules.

Dr Snowdy's employment may be terminated at any time, with or without cause, with or without notice, at the option of Visioneering. If Dr Snowdy's employment is terminated without cause or he resigns for good reason, Dr Snowdy will be entitled to his base salary until the effective date of termination plus three months' severance pay, any unpaid bonus that has been fully earned, and the immediate vesting of all unvested stock options.

6.5.3 Non-executive Directors' fees

Under the Bylaws, the Directors decide the total amount paid to all Directors as remuneration for their services as a Director of Visioneering. However, under the Listing Rules, the total amount paid to all Directors (excluding the salary of any executive Director) for their services must not exceed in aggregate in any financial year the amount fixed by Visioneering in a general meeting. This amount has been fixed at US$500,000.

Following Listing, the fees proposed to be paid by Visioneering to its Non-executive Directors are as follows:

- Mr Schwarzer and Mr Stevenson will receive no compensation; and
- Ms Van Heek and Ms Peach will each receive US$60,000 per annum (plus statutory superannuation where applicable).

Each Non-executive Director who serves as a chair of a Board committee will receive an additional annual fee of US$7,000 (plus statutory superannuation where applicable) for their work as chair of the committee. Directors will not receive additional fees for being a member of a Board committee.

The independent Non-executive Directors of the Company (Ms Van Heek and Ms Peach) may receive grants of securities under the 2017 Plan subject to the Listing Rules and Board approval.

Directors may be reimbursed for travel and other expenses incurred in attending to Visioneering's affairs.

6.5.4 Directors' interests in Shares and other securities

The table below sets out the interests of the Directors in the securities of Visioneering as at the date of this Prospectus. The table assumes that the Restructuring has occurred.

Director	Shares[1,2]	Options[1,3]
Dr Stephen Snowdy	–	6,196,800
Mr Fred Schwarzer[4]	51,533,079	–
Mr Gary Stevenson[5]	15,256,582	–
Ms Christine Van Heek[6]	319,233	232,000
Ms Zita Peach	–	–

1 The number of Shares and Options is calculated on the assumption that the Restructuring has occurred. As the ratio of CDIs to Shares will be 1:1, the number of Shares and Options shown also represents the equivalent number of CDIs.

2 The number of Shares is calculated on the assumption that the Restructuring occurs on 22 March 2017 and the Indicative Exchange Rate applied at the time of the Restructuring.

3 All Options were issued under the 2008 Plan.

4 Consists of 25,794,148 Shares held by Charter Life Sciences II, L.P., (ii) 10,686,907 Shares held by Charter Life Sciences (Ohio) II, L.P. and (iii) 15,052,024 Shares held by CLS II Annex Fund, LLC. CLS II Management, LLC is the general partner of CLS Partners II, L.P., which is the general partner of Charter Life Sciences II, L.P. and CLS Partners (Ohio) II, L.P. CLS Partners (Ohio) II, L.P. is the general partner of Charter Life Sciences (Ohio) II, L.P.. Mr Schwarzer is one of four managing partners of CLS II Management, LLC and may be considered to have shared voting and dispositive power over the Shares held by Charter Life Sciences II, L.P. and Charter Life Sciences (Ohio) II, L.P. Mr Schwarzer disclaims beneficial ownership of such Shares. Charter Venture Capital (a corporation) is the manager of CLS II Annex Fund, LLC. Mr Schwarzer is the sole owner and manager of Charter Venture Capital and consequently controls the voting and disposition of the Shares held by CLS II Annex Fund, LLC. Mr Schwarzer disclaims beneficial ownership of such Shares.

5 Shares are held by Memphis Biomed Ventures II, LP, the general partner of which is MB Venture Partners, LLC. Mr Stevenson is the managing partner, and one of two members, of MB Venture Partners, LLC. He may be considered to have shared voting and dispositive power of the Shares held by Memphis Biomed Ventures II, LP. Mr Stevenson disclaims beneficial ownership of such Shares.

6 Includes 270,233 Shares held jointly with Jan Van Heek, Ms Van Heek's husband.

06. Directors and other key people, interests and benefits

6.5.5 Other interests of Directors

Mr Schwarzer is one of four managing partners of CLS II Management, LLC. CLS II Management, LLC is the general partner of CLS Partners II, L.P., which is the general partner of Charter Life Sciences II, L.P., a Shareholder of Visioneering. CLS II Partners II, L.P. is also the general partner of CLS Partners (Ohio) II, L.P., which is the general partner of Charter Life Sciences (Ohio) II, L.P., another Shareholder of Visioneering. CLS II Management, LLC is entitled to a carried interest ultimately arising from the performance of a portfolio of investments that includes the investment in Visioneering. To the extent that a carried interest is derived, Mr Schwarzer will indirectly derive a personal benefit through his interest as a managing partner of CLS II Management, LLC.

In addition, Mr Schwarzer is the sole owner and manager of Charter Venture Capital (a corporation). Charter Venture Capital is the manager of CLS II Annex Fund, LLC, a Shareholder of Visioneering, however Charter Venture Capital does not have a beneficial interest in the Visioneering securities held by CLS II Annex Fund, LLC, nor is Charter Venture Capital entitled to a carried interest arising directly or indirectly from the performance of Visioneering.

Neither the outcome of the Offer nor the listing of Visioneering on the ASX will result in the crystallisation of any carried interest or any other payment to CLS II Management, LLC or Charter Venture Capital.

Mr Stevenson is the managing partner and one of two members of MB Venture Partners, LLC. MB Venture Partners, LLC is the general partner of Memphis Biomed Ventures II, LP, a Shareholder of Visioneering. MB Venture Partners, LLC is entitled to a carried interest ultimately arising from the performance of the investment portfolio of Memphis Biomed Ventures II, LP, including its Shares in Visioneering. To the extent that such carried interests are derived, Mr Stevenson will indirectly derive a personal benefit through his interests as the managing partner of MB Venture Partners, LLC. Neither the outcome of the Offer nor the listing of Visioneering on the ASX will result in the crystallisation of any carried interest or any other payment to MB Venture Partners, LLC.

6.5.6 Indemnification of Directors, officers and employees, and insurance

As permitted under Delaware law, Visioneering indemnifies certain officers and Directors and is permitted to indemnify employees for certain events or occurrences that happen by reason of their relationship with, or position held at, Visioneering. The Company's Certificate of Incorporation and Bylaws provide for the indemnification of its Directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law.

Visioneering has entered into indemnification agreements with its Directors and certain officers to this effect, including advancement of expenses incurred in legal proceedings to which the Director or officer was, or is threatened to be made, a party by reason of the fact that such Director or officer is or was a Director, officer, employee or agent of Visioneering, provided that such Director or officer acted in good faith and in a manner that the Director or officer reasonably believed to be in, or not opposed to, the Company's best interests. At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

Visioneering maintains insurance policies that indemnify the Company's Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such.

6.5.7 Employment arrangements with Key Managers

The table below sets out the base annual salary of the Key Managers (excluding Stephen Snowdy and Judith Vitale) from Listing.

Key Manager	Position	Annual salary (US$)
Mr Tony Sommer, Jr.	Senior Vice President Sales and Marketing	$225,000
Dr Sally Dillehay	Chief Medical Officer Vice-President, Clinical and Regulatory Affairs Corporate Secretary	$275,000
Ms Rosa Lee	Executive Director of Manufacturing and Engineering	$195,000

In addition to the above annual salaries, each of the above Key Managers:

- has received Option grants and will be eligible to participate in the 2017 Plan from Listing; and
- will, from Listing, be eligible to receive an annual cash bonus as determined by the Nomination and Remuneration Committee and Board. Mr Sommer and Dr Dillehay will each be eligible to receive an annual cash bonus of up to 30% of their respective base salaries, and Ms Lee will be eligible to receive an annual cash bonus of up to 20% of her base salary.

Certain other benefits are also afforded to the above Key Managers including health insurance (for which 70% of the premiums are paid by the Company), short-term and long-term disability insurance and participation in the 401(k) Plan (see Section 6.5.8). Key Managers may also be reimbursed for travel and other expenses incurred in attending to Visioneering's affairs.

Mr Sommer's employment agreement provides for certain benefits if he is terminated following a change of control. These include three months' severance pay at a rate equal to 100% of his base salary, continued healthcare benefits and the immediate vesting of 100% of any unvested Options or any shares of restricted stock (if any) granted to him as at his termination date. The other Key Managers do not have similar termination benefits if there is a change of control, although if a Key Manager is terminated without cause or resigns for good reason, the Key Manager may receive severance of up to three months' base salary, continued healthcare benefits and accelerated vesting of unvested Options or shares of restricted stock (if any).

Each Key Manager's employment may be terminated at any time, with or without cause, with or without notice, at the option of either Visioneering or the Key Manager.

Judith Vitale provides CFO services to the Company under an engagement letter which can be terminated at any time with 30 days' notice. Ms Vitale receives an hourly fee of US$200 per hour. Total payments to Ms Vitale for the year ended 31 December 2016 were US$31,650.

6.5.8 401(k) Plan

The Company has in place a defined contribution retirement savings plan under section 401(k) of the US Internal Revenue Code (**401(k) Plan**). The 401(k) Plan is open to all US employees of Visioneering (including the Key Managers other than Judith Vitale) and allows participants to contribute their pre-tax income to the plan up to the maximum annual amounts allowed under the Internal Revenue Code. Visioneering matches the first 4% of an employee's contribution to the 401(k) Plan subject to the limitations under the Internal Revenue Code.

6.5.9 Interests of advisers

The Company has engaged the following professional advisers in relation to the Offer:

- Canaccord Genuity (Australia) Limited has acted as the Lead Manager and the underwriter to the Offer, and will receive the fees under the Underwriting Agreement described in Section 12.4.1, plus a retainer fee of US$20,000 per month (excluding GST) until the Allotment Date capped at US$120,000. In addition, the Lead Manager received a fee of approximately A$840,000 in connection with the Company's pre-Offer financing in July to November 2016.
- Johnson Winter & Slattery has acted as Australian legal adviser to the Company in connection with the Offer. The Company has paid or agreed to pay A$500,000 (excluding GST and disbursements) for these services up to the date of this Prospectus. Further amounts may be paid to Johnson Winter & Slattery in accordance with its normal time-based charges.
- Thompson Coburn LLP has acted as US legal adviser to the Company in connection with the Offer. The Company has paid or agreed to pay US$190,000 (excluding disbursements) for these services up to the date of this Prospectus. Further amounts may be paid to Thompson Coburn LLP in accordance with its normal time-based charges.
- Grant Thornton Corporate Finance Pty Ltd has acted as the investigating accountant on the Historical Financial Information and has prepared the Independent Limited Assurance Report in Section 8 of this Prospectus. The Company has paid or agreed to pay A$135,000 (excluding GST and disbursements) for these services up to the date of this Prospectus. Further amounts may be paid to Grant Thornton Corporate Finance Pty Ltd in accordance with its normal time-based charges.
- Seyfarth Shaw LLP has acted as the patent attorney to the Company in connection with the Offer and has prepared the report in Section 9 of this Prospectus. The Company has paid or agreed to pay for these services in accordance with Seyfarth Shaw LLP's normal time-based charges. Costs are estimated to total approximately US$11,500 for these services.

6.6 Incentive plans

6.6.1 2017 Equity Incentive Plan

Visioneering's Equity Incentive Plan (the **2017 Plan**) was adopted initially by the Board and approved by Existing Holders on 18 January 2017. The purpose of the 2017 Plan is to provide incentives and encourage Visioneering's employees, directors and other persons providing significant services to Visioneering and its subsidiaries to acquire Shares in the form of incentive stock options, non-qualified stock options, restricted stock, stock units, performance awards and stock appreciation rights (together, the **2017 Stock Incentives**). The 2017 Plan is administered by the Board or the Nomination and Remuneration Committee.

The 2017 Plan is the successor to the 2008 Plan. It will expire by its terms ten years after the date of adoption, and no benefit shall be granted after such date. The total number of Shares reserved for issuance under the 2017 Plan is 11,000,000 Shares (**Share Reserve**). The Share Reserve may be increased on the first day of each fiscal year (1 January) by an amount equal to the lesser of (a) 5% of the aggregate number of Shares available for issuance under the 2017 Plan on the last day of the immediately preceding fiscal year, and (b) an amount determined by the Board.

As of the date of this Prospectus, there are no 2017 Stock Incentives currently issued and outstanding under the 2017 Plan. Shares underlying expired, cancelled or forfeited options, stock appreciation rights or performance awards shall be available for reissuance under the 2017 Plan. Shares of restricted stock shall be available for reissuance under the 2017 Plan if such restricted stock is forfeited or is returned to Visioneering as part of a restructuring of benefits.

If Visioneering at any time changes the number of issued Shares without new consideration to Visioneering (such as by stock dividends or by stock split), it may (a) adjust the total number of Shares reserved for issuance under the 2017 Plan and (b) adjust the number of Shares covered by each outstanding benefit so that the aggregate consideration payable to Visioneering and the value of each such 2017 Stock Incentive shall not be changed. Additionally, 2017 Stock Incentives may be granted with provisions for their continuation or for other equitable adjustments after changes in the Shares resulting from reorganisation, sale, merger, consolidation, issuance of stock rights or warrants, or a similar event.

If Visioneering undergoes any merger, consolidation, acquisition of property or stock, or reorganisation, then, without affecting the number of Shares reserved or available under the 2017 Plan, the Board may authorise the issuance or assumption of 2017 Stock Incentives upon such terms and conditions as it may deem appropriate.

Without the prior approval of Shareholders and unless permitted by the Listing Rules or ASX, Visioneering may not effect a 'repricing' of any 2017 Stock Incentives, which includes (a) providing for the lowering of the purchase price of a stock option or other 2017 Stock Incentive after it has been granted, (b) providing for the cancellation of a stock option or other 2017 Stock Incentive in exchange for another stock option or 2017 Stock Incentive when the purchase price of such cancelled 2017 Stock Incentive exceeds the fair market value of the underlying stock (unless the purchase occurs in connection with a merger, acquisition, spin-off or other similar corporate transaction) and (c) providing for any other action that is treated as 'repricing' under generally accepted accounting principles.

6.6.2 Future Awards

Options and other incentives will be an important component of any compensation arrangements with new personnel, as well as an ongoing incentive for the Company's existing staff. Accordingly, the Company intends to issue new Options or other incentives following its admission to the ASX, including as and when new personnel are recruited. Any issuance of 2017 Stock Incentives to new or existing staff and contractors following the Company's admission to the ASX will be under the terms and conditions of the 2017 Plan and will be within the permitted Share Reserve. To the extent that the Listing Rules require Shareholder approval for an issuance under the 2017 Plan (e.g. for an issuance to a new Director), such approval will be sought before the issuance is agreed or made by the Company.

6.6.3 2008 Stock Incentive Plan

Visioneering's 2008 Stock Incentive Plan (the **2008 Plan**) was adopted initially by the Board and approved by Visioneering's shareholders in October 2008. The purpose of the 2008 Plan was to provide equity incentives to Visioneering's employees, directors and consultants or advisors in various forms but primarily through the issuance of stock options (together, the **Stock Incentives**). The 2008 Plan is administered by the Board or a committee appointed by the Board.

The 2008 Plan is the predecessor to the 2017 Plan described above. On 18 January 2017, the Board determined that no additional Stock Incentives would be awarded under the 2008 Plan, but Stock Incentives previously granted under the 2008 Plan would continue to be governed by the terms of the 2008 Plan. As of the date of this Prospectus, there are 11,543,074 Stock Incentives currently issued and outstanding under the 2008 Plan all of which are Options.

If the Board determines that any change in the capitalisation of Visioneering (including but not limited to stock dividends or stock splits), or any corporate transaction (such as reorganisation, merger, consolidation, acquisition, sale or other disposition of all or substantially all of the Company's assets, or other similar corporate transaction or event) that provides for the substitution or assumption of such Stock Incentives affects the common stock such that an adjustment is determined by the Board to be equitable to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2008 Plan or with respect to any Stock Incentive, the Board may take any one or more of the following actions with respect to outstanding Stock Incentives, subject to compliance with all relevant legal requirements:

- adjust the limit on the number of Shares that may be granted during a calendar year to any individual;
- adjust the number and type of Shares subject to Stock Incentives and the reserves of such Shares; or
- adjust the exercise price of any stock options.

Without the prior approval of Shareholders, Visioneering may effect a 'repricing' of any outstanding stock option, which includes (a) provide for the lowering of the applicable exercise price, (b) provide for the cancellation of an outstanding option at a time when the applicable exercise price exceeds the fair market value underlying the stock in exchange for another stock option or other form of equity in Visioneering, and (c) provide for any other action that is treated as 'repricing' under generally accepted accounting principles.

If Visioneering undergoes a change of control, then any surviving or acquiring entity or corporation may assume outstanding Stock Incentives or may substitute similar stock awards for those outstanding Stock Incentives. In the event that Stock Incentives are not so assumed or substituted, then the Board may take any or all of the following actions effective as of the date of the change of control (or as of any date the Board may determine within 30 days prior to a change of control):

- provide for the acceleration of the vesting and/or exercisability of any Stock Incentives;
- provide for the cancellation of any Stock Incentives which have not vested and/or become exercisable as of the change of control;
- provide for the cancellation of any Stock Incentives in exchange for whole or fractional Shares, cash, or other property;
- provide for the cancellation of any Stock Incentives after the change of control, provided the holder of such Stock Incentives (a) had an opportunity to exercise such Stock Incentives to the extent vested or exercisable on or before the change of control, and (b) had reasonable notice of such opportunity;
- provide that any Stock Incentives must be exercised as of the change of control; or
- provide for the cancellation of any Stock Incentives as of the change of control and notify the holder of such action, provided the fair market value of the Shares subject to such Stock Incentives does not exceed the applicable exercise price.

6.7 Corporate governance

This Section explains how the Board will manage Visioneering's business.

The Board oversees the Company's business and is responsible for the overall corporate governance of Visioneering. It monitors the operational, financial position and performance of Visioneering and oversees its business strategy including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing Visioneering, including by adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the business and which are designed to promote the responsible management and conduct of Visioneering.

The main policies and practices adopted by the Company, which will take effect from listing on the ASX, are summarised below. There are also important governance requirements set out in the Bylaws of the Company. See Section 11.6 for further details.

6.7.1 Board Charter

The functions and the responsibilities of the Board are set out in Visioneering's Board Charter. The Board Charter establishes the functions reserved to the Board and those delegated to the Key Managers. Additionally, the Board Charter outlines certain characteristics of the Board including the ideal composition of the Board.

A copy of the Visioneering Board Charter will be made available on its website at www.vtivisioninvestors.com. The Company will send you a free paper copy of the Board Charter should you request a copy during the Offer Period.

6.7.2 Board committees

The Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities as set out below. The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

Committee	Overview	Members
Audit and Risk	The Audit and Risk Committee will oversee Visioneering's financial reporting process on behalf of the Board and will make recommendations to the Board on the appointment, compensation and retention of external auditors. The Audit and Risk Committee will also oversee the establishment, methodology and implementation of Visioneering's risk management system and its resourcing.	Christine Van Heek (Chair) Zita Peach Gary Stevenson
Nomination and Remuneration	The Nomination and Remuneration Committee will: • establish processes for the identification of suitable candidates for appointment to the Board; • establish processes for reviewing the performance of individual Directors, the Board as a whole, and Board committees; • determine the executive remuneration policy and the Non-executive Director remuneration policy; and • review all equity based incentive plans.	Zita Peach (Chair) Christine Van Heek Fred Schwarzer

Each of these committees has the responsibilities described in the committee charters which have been prepared having regard to the Listing Rules, the ASX Corporate Governance Principles. Copies of the charters will be made available on the Company's website at www.vtivisioninvestors.com. The Company will send you a free paper copy of either charter should you request a copy during the Offer Period.

6.7.3 Policies

The Board has also approved the following policies to apply upon Visioneering's listing on the ASX, each of which has been prepared having regard to the Listing Rules, the ASX Corporate Governance Principles.

- **Code of Conduct –** This policy sets out Visioneering's key values and the standards of ethical behaviour that Visioneering expects from its Directors, Key Managers and employees.
- **Securities Trading Policy –** This policy is sets out Visioneering's internal controls and procedures in relation to dealings in Visioneering securities by Directors, Key Managers and employees, and provides guidance on insider trading laws.
- **Continuous Disclosure Policy –** This policy sets out the procedures and measures designed to ensure the Company's compliance with its continuous disclosure requirements described in Section 6.9. This policy also sets out Visioneering's practices for ensuring effective communication with its CDI Holders and Shareholders and to encourage securityholder participation at general meetings.
- **Risk Management Policy –** This policy is designed to assist Visioneering to identify, assess, monitor and manage its risks, along with identifying material changes to its risk profile.
- **Diversity Policy –** This policy aims to promote diversity amongst Visioneering's employees.

The Company will send you a free paper copy of any of the above policies should you request a copy during the Offer Period. These documents will also be made available on the Company's website at www.vtivisioninvestors.com.

6.8 ASX Corporate Governance Principles

Visioneering is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released corporate governance principles and recommendations for ASX listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptive, but are guidelines. However, under the Listing Rules, Visioneering will be required to provide a statement in its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where it has not followed a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. The Board anticipates that it will follow all of the recommendations of the ASX Corporate Governance Council, except as follows:

- The majority of the Board are not independent Directors and the Chairman is not an independent Director as required by Recommendations 2.4 and 2.5, respectively. As noted in Section 6.1.2, the Board may, following admission to the ASX, consider appointing a further independent Director. Otherwise the Board, having regard to the Company's stage of development and the collective experience and expertise of the Directors, considers the current composition of the Board is appropriate. The Board also believes that Mr Fred Schwarzer is the most appropriate person to lead the Board as Chairman and that the Company as a whole benefits from his longstanding experience.
- Owing to the Company's stage of development and small number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. Consequently, the Company will not comply with Recommendation 1.5 in full.
- The Company does not have written agreements with the Non-executive Directors. Accordingly, the Company will not fully comply with Recommendation 1.3. The Company considers that there is sufficient certainty as to the terms of the Non-executive Directors' appointments that written agreements are not necessary at this stage.

6.9 Continuous disclosure

Once listed on the ASX, Visioneering will be required to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, it will be required to disclose to the ASX any information concerning Visioneering which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the CDIs. Visioneering is committed to observing its disclosure obligations under the Listing Rules and the Corporations Act. Accordingly, as described above at Section 6.7.3, the Company has adopted a continuous disclosure policy to take effect from listing on the ASX which establishes procedures which are aimed at ensuring that Directors and Key Managers are aware of and will assist the Company to fulfil its obligations in relation to the timely disclosure of material price-sensitive information.

The Company's continuous disclosure announcements will be available on its website at www.vtivisioninvestors.com, in addition to the announcements section of the ASX's website.

07.

Details of the Offer

07. Details of the Offer

7.1 The Offer

The Offer is the offer of 79,365,079 CDIs, each representing an interest in one Share.

The Offer Price is A$0.42 per CDI, which equates to A$0.42 per Share. The Company expects the gross proceeds of the Offer to be approximately A$33.3 million (approximately US$25.0 million).

The Offer comprises:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom;
- the Broker Firm Offer, which is open to Retail Investors in Australia who have received a firm allocation from their broker; and
- the General Public Offer, which is open to Retail Investors in Australia.

7.2 Effect of the Offer

7.2.1 Use of proceeds

Visioneering expects to receive approximately A$33.3 million (approximately US$25.0 million) of gross proceeds from the Offer. In addition to the Offer, Visioneering has cash reserves as at the Original Prospectus Date of approximately US$4.3 million (approximately A$5.7 million).

The table below sets out the proposed use of the proceeds from the Offer and existing cash reserves through to January 2019. The expected use of proceeds represents Visioneering's current intentions based upon present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend on numerous factors, including the timing and success of Visioneering's broader US roll-out and revenue from sales.

Sources of funds			**Use of funds**			
$'000s	**US$**	**A$**	**$'000s**	**US$**	**A$**	**% of total**
Estimated cash reserves as at Original Prospectus Date	4,288	5,717	Sales and marketing expansion	11,872	15,829	40.5%
Offer	25,000	33,333	Additional clinical trials and regulatory costs	2,816	3,755	9.6%
			Capital expenditure for manufacturing, and additional distribution costs	2,680	3,573	9.1%
			Costs of the Offer	2,057	2,743	7.0%
			Subtotal	**19,425**	**25,900**	**66.2%**
			Public company costs and working capital	9,863	13,150	33.8%
Total	**29,288**	**39,050**		**29,288**	**39,050**	**100.0%**

Following completion of the Offer, the Company would have had a total pro forma cash balance as at 31 December 2016 of approximately US$28.6 million (or approximately A$38.1 million) (having applied the pro forma adjustments described in Section 5.5.2). Due to the Company's actual and planned expenditure since 31 December 2016, its cash balance following completion of the Offer will be different to this figure. The Directors believe that the Company's current cash reserves plus the net proceeds of the Offer will be sufficient to fund the Company's key objective of a broader commercial roll-out of its NaturalVue MF contact lenses across the US until at least January 2019, assuming only moderate sales growth relative to the investment in the sales and marketing expansion during that period. Any future capital requirements will depend on a number of factors, including the quantum of revenue growth that may be generated following the planned commercial roll-out in the US and subsequently in global markets.

In relation to the proposed use of proceeds described above, it should also be recognised that there may be differences between estimated and actual costs, because events and circumstances frequently do not occur as expected and those differences may be material. In this regard, you should read carefully and consider the risk factors set out in Section 4.

7.2.2 Pro forma balance sheet

Visioneering's pro forma balance sheet following completion of the Offer and details of the pro forma adjustments are set out in Section 5.5.1.

7.2.3 Capital and ownership structure

Visioneering's indicative capital and ownership structures and the interests of Existing Holders in Visioneering before and immediately following completion of the Offer, is set out in Section 11.2.1.

Information on the number of securities to be held on completion of the Offer that will be subject to escrow arrangements, and details of those escrow arrangements, is set out in Section 7.8.

7.3 Terms and conditions

What type of security is being offered?

The securities being offered under the Offer are CDIs. Each CDI represents one Share. The CDIs will be newly issued.

What are CDIs?

The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. Visioneering is incorporated in the State of Delaware in the US, which does not recognise the CHESS system of holding securities or electronic transfers of legal title to Shares. To enable companies such as Visioneering to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs are units of beneficial ownership in Shares and are traded in a manner similar to shares of Australian companies listed on the ASX.

What is the principal difference between holding CDIs and holding Shares?

The principal difference between holding CDIs and holding the underlying Shares is that the CDI Holder will hold a beneficial interest in Shares, but not the legal title. The legal title to the Shares will instead be held by a depositary, CDN, which is a wholly-owned subsidiary of the ASX. CDN is an approved general participant of ASX Settlement.

The Shares underlying the CDIs will be registered in the name of CDN and will be held on behalf of and for the benefit of the CDI Holder. CDIs will be CHESS-approved from the date of official quotation in accordance with the Listing Rules and the ASX Settlement Operating Rules.

What are the rights attaching to CDIs and Shares?

A summary of the rights and specific features attaching to CDIs is in Section 11.5, and a summary of the rights attaching to Shares is in Section 11.6.

What consideration is payable for each CDI?

A$0.42 per CDI.

07. Details of the Offer

7.3 Terms and conditions

What is the Offer Period?	The key dates of the Offer are set out in Section 1. The Corporations Act prohibits the Company from processing Applications in the seven day period after the Original Prospectus Date. This period may be extended by ASIC for a further period of up to seven days. It is expected that the Broker Firm Offer and General Public Offer will open on 2 March 2017 and close on 16 March 2017. No CDIs will be allotted or issued on the basis of this Prospectus later than 13 months after the Original Prospectus Date.
Are there any minimum or maximum amounts for which I may subscribe?	Yes. If you apply for CDIs under the Broker Firm Offer or General Public Offer, you must apply for a minimum of A$2,000 worth of CDIs. You can apply for additional CDIs in multiples of A$500. There is no maximum amount that may be applied for under the Offer. Depending on how many investors apply for CDIs, you may not be issued all or any of the CDIs you apply for.
What is the allocation policy?	The Lead Manager, after consultation with the Company, has discretion regarding the allocation of CDIs under the Offer, subject to any firm allocation for the Broker Firm Offer agreed with the Lead Manager.
Will the CDIs be listed?	The Company has applied to be admitted to the Official List and for the CDIs to be granted official quotation on the ASX under the ticker 'VTI'. Details are provided in Section 7.10.
Is the Offer underwritten?	Yes. Details are provided in Sections 7.7 and 12.4.
Are there any escrow arrangements?	Yes. Details are provided in Section 7.8.
Have any ASX waivers been obtained or relied on?	Yes. Details are provided in Section 12.10.
Are there any significant taxation implications?	Refer to Section 10.

7.4 How to apply for CDIs under the Offer

Who is eligible to participate in the Offer?	
Who can apply for CDIs under the Broker Firm Offer?	The Broker Firm Offer is only open to Australian resident Retail Investors who have received a firm allocation from their broker.
Who can apply for CDIs under the General Public Offer?	The General Public Offer (which does not include the Broker Firm Offer) is only open to Retail Investors resident in Australia. The Company, in consultation with the Lead Manager, reserves the right in its absolute discretion to issue no CDIs to Applicants under the General Public Offer. All Applicants under the General Public Offer must have an eligible address in Australia.

7.4 How to apply for CDIs under the Offer

Who can apply for CDIs under the Institutional Offer?	The Institutional Offer is only open to certain Institutional Investors and is being managed by the Lead Manager. The Lead Manager will separately advise Institutional Investors of the application procedures for the Institutional Offer.
US Persons	No US Persons may apply for CDIs under the Offer. No person may apply for CDIs under the Offer for the account or benefit of any US Person.

Completing and returning your Application

How do I apply under the Broker Firm Offer?	If you are a Retail Investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the relevant Application Monies, with the broker from whom you received your firm allocation. Application Forms for the Broker Firm Offer must be completed in accordance with the instructions given to you by your broker and the instructions set out on the reverse of the Application Form.
How do I apply under the General Public Offer?	If you are a Retail Investor applying under the General Public Offer, you may apply for CDIs by visiting www.vtivisioninvestors.com and following the prompts. You can only pay for CDIs under the General Public Offer using BPAY®.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CDIs under the Offer. See Section 12.4 for details of various fees payable by the Company to the Lead Manager and fees payable by the Lead Manager to certain brokers.

Timing for Applications

What is the deadline to submit an Application?	The Broker Firm Offer and General Public Offer are expected to close at 5.00pm (Sydney time) on 16 March 2017, however Applicants under the Broker Firm Offer should return their Applications and Application Monies in accordance with the directions and deadlines set out by your broker. In addition, Visioneering and the Lead Manager may elect to close the Offer or any part of it early, or extend the Offer or any part of it. You are therefore encouraged to submit your Application as soon as possible. Visioneering, the Lead Manager and the Registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.
Is Delivery versus Payment (DvP) Settlement available under the Offer?	DvP Settlement is available for Applicants under both the Broker Firm Offer and Institutional Offer. Please contact your broker or the Lead Manager for further details.

7.5 Acceptance of Applications

Once you have submitted a completed Application Form, it will, to the extent permitted by law, constitute an irrevocable offer to acquire CDIs on the terms set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form.

The Company, in consultation with the Lead Manager, reserves the right to:

- reject any Application, including but not limited to Applications that have been incorrectly completed, or are accompanied by payments that are dishonoured;
- reject or aggregate Applications which appear to be multiple Applications by the same party;
- accept late Applications either generally or in particular cases; and
- issue to any Applicant fewer CDIs than applied for by the Applicant.

Except where section 724 of the Corporations Act (relating to defective prospectuses) applies, an Application is an irrevocable offer which cannot be withdrawn.

7.6 Application Monies

You should ensure that sufficient funds are held in the relevant account(s) to cover your payment of Application Monies.

If the amount of your payment is insufficient to pay for the number of CDIs you have applied for in your Application Form in full, you may be taken to have applied for such lower number of CDIs as your cleared Application Monies will pay for (and you will be taken to have specified that number of CDIs and lower amount on your Application Form). Alternatively, your Application may be rejected.

Pending the allocation of CDIs under the Offer, all Application Monies will be deposited into a separate bank account (opened only for this purpose) to be held in trust by the Company for so long as the money is liable to be repaid under the Corporations Act. After the CDIs are allotted, the Application Monies (including any interest on account) will be paid to Visioneering.

Where the number of CDIs issued to an Applicant is less than the number of CDIs applied for, the surplus Application Monies will be returned to the Applicant as soon as practicable after the close of the Offer. Amounts of A$2.00 or less will be retained by Visioneering. No interest will be paid on refunded amounts. Any interest earned on the Application Monies will be retained by Visioneering.

7.7 Underwriting Agreement

Visioneering entered into the Underwriting Agreement with the Lead Manager on 16 February 2017, under which the Lead Manager agreed to fully underwrite the Offer, subject to certain conditions and termination events. The Underwriting Agreement sets out a number of circumstances under which the Lead Manager may terminate the agreement and the underwriting obligations.

The key terms of the Underwriting Agreement, including the termination provisions and the fees payable under it, are summarised in Section 12.4.

7.8 Escrow arrangements

Certain Directors and other Existing Holders will be subject to mandatory escrow arrangements under the Listing Rules. In addition, the Lead Manager has required that certain Existing Holders agree to enter into voluntary escrow arrangements under which the Existing Holder will be (subject to any mandatory escrow requirements):

- free to deal in 100,000 Shares or CDIs they hold immediately following the Restructuring (as well as any CDIs acquired in the Offer);
- restricted from dealing in half of their remaining Shares and CDIs held immediately following the Restructuring for a period of 6 months from the date of quotation of the CDIs on the ASX; and
- restricted from dealing in the other half of their remaining Shares and CDIs held immediately following the Restructuring for a period of 12 months from the date of quotation of the CDIs on the ASX.

The following table sets out the periods during which certain Directors and certain other Existing Holders will be restricted from dealing in some of their Shares, CDIs and Options (as applicable), including Shares and CDIs issued on conversion of Convertible Notes (and accrued interest).

Where an Existing Holder's securities are subject to the ASX mandatory escrow and voluntary escrow, those securities are counted in the table twice.

On Listing, approximately 109,293,678 Shares will be subject to escrow arrangements, being approximately:

- 91.85% of the issued Shares immediately before allotment (but after the Restructuring); and
- 55.10% of the issued Shares immediately following Listing.

(These figures are subject to the qualifications in the footnotes to the table below.)

Final details of the escrow arrangements will be announced to the ASX prior to the CDIs commencing trading on the ASX.

Escrowed party	Type of escrow	Escrow period	Indicative number of Shares/CDIs held in escrow[1]	Number of Options held in escrow[2]
Directors and entities controlled by them	ASX	24 months from quotation	7,913,799	6,981,550
	Voluntary	6 months from quotation	16,052,920	–
		12 months from quotation	16,052,919	–
Seed capitalists who are not promoters (including venture capital funds not controlled by Directors)[3]	ASX	Until July/August 2017	8,926,205	–
		Until October/November 2017	1,666,668	–
		12 months from allotment	5,636,678	–
		24 months from quotation	–	–
	Voluntary	6 months from quotation	37,812,711	–
		12 months from quotation	37,812,688	–
Seed capitalists who are promoters[4]	ASX	24 months from quotation	150,576	–
	Voluntary	6 months from quotation	153,859	–
		12 months from quotation	153,859	–

1 The figures stated are indicative only and assume that the ASX gives the confirmation the subject of its 'in principle' confirmations described in section 12.10. The figures stated are calculated on the assumption that the Indicative Exchange Rate will apply to the conversion of Convertible Notes (other than the Australian Notes) and that the Allotment Date will be 22 March 2017.

2 Assumes no change to the number of Options held pre-and post-close of Offer.

3 Includes Shares held by CLS II Annex Fund, LLC (controlled by Mr Fred Schwarzer) and Memphis Biomed Ventures II, LP (controlled by Mr Gary Stevenson).

4 Includes Shares held by Charter Life Sciences II, L.P. and Charter Life Sciences (Ohio) II, L.P. (affiliated with, but not controlled by, Mr Fred Schwarzer).

The voluntary escrow arrangements will be entered into on materially similar terms as under the mandatory escrow. Subject to the Listing Rules, and in the case of the mandatory escrow, the ASX's consent, the escrow arrangements do not preclude an escrowed securityholder from transferring their securities in certain circumstances, including:

- pursuant to certain takeover transactions; or
- for the voluntary escrow arrangements, certain other transactions including: transfers as a gift; pursuant to a will; to certain trusts or (if the Shareholder is a company or partnership) as a distribution to shareholders or partners, provided that the transferee agrees to be subject to the escrow restrictions; or pursuant to a court order.

7.9 Discretion to withdraw the Offer

The Company reserves the right not to proceed with the Offer at any time before the issue and allotment of CDIs under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full (without interest).

7.10 Application for admission to the ASX and quotation of CDIs

The Company has applied to be admitted to the Official List of the ASX and for the CDIs to be granted official quotation on the ASX under the ticker 'VTI'. If the Company is not admitted to the Official List and the CDIs are not granted official quotation within three months of the Original Prospectus Date (or any later date permitted by law), all Application Monies will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The fact that the ASX may agree to grant official quotation of the CDIs is not to be taken in any way as an indication of the merits of Visioneering or the CDIs offered. The ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. Quotation, if granted, will commence as soon as practicable after the issue of holding statements to Successful Applicants.

The Shares will not trade on any securities exchange upon completion of the Offer.

7.11 Holding statements and commencement of trading

As soon as practicable after the Allotment Date, holding statements will be sent to Successful Applicants by standard post. The Company expects to dispatch holding statements on 23 March 2017.

CDIs are expected to commence trading on a normal settlement basis on or about 27 March 2017.

It is your responsibility to confirm the number of CDIs allotted to you prior to trading in the CDIs. If you sell CDIs before receiving a holding statement, you do so at your own risk. The Company, the Lead Manager and the Registry disclaim all liability if you sell CDIs before receiving your holding statement, even if you confirmed your firm allocation through your broker.

You will not be permitted to sell CDIs into the US or to US Persons for a period of at least 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the US Securities Act or an exemption is available.

7.12 Foreign selling restrictions

Please refer to Section 12.1 for foreign selling restrictions.

7.13 Enquiries

This Prospectus is available to Australian residents in electronic form at www.vtivisioninvestors.com.

You can call the Offer Information Line on 1300 646 967 (within Australia) or +61 3 9415 4019 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Offer Period.

If you do not understand any matter or are uncertain as to whether Visioneering is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.

08.

Independent Limited Assurance Report

08. Independent Limited Assurance Report

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Board of Directors
Visioneering Technologies Inc.
Suite 300
4555 Mansell Road
Alpharetta
Georgia 30022
United States of America

24 February 2017

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the directors of Visioneering Technologies Inc. (Visioneering or the Company) for inclusion in the Replacement Prospectus (the Prospectus) to be issued by the Company on or about 24 February 2017 in respect of the initial public offering of CHESS Depositary Interests in the Company (the Offer) and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd (Grant Thornton Corporate Finance) holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Scope

You have requested Grant Thornton Corporate Finance to perform a limited assurance engagement in relation to the Historical and Pro forma Historical Financial Information included in **Section 5** of the Prospectus.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

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Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Historical and Pro Forma Historical Financial Information

The historical and pro forma historical financial information of the Company, as set out in the Prospectus comprises:

- The historical statement of operations for the year ended 31 December 2014 (FY2014), the year ended 31 December 2015 (FY2015) and the year ended 31 December 2016 (FY2016);
- The historical statement of cash flows for FY2014, FY2015 and FY2016;
- The historical balance sheet as at 31 December 2016; and
- The pro forma balance sheet as at 31 December 2016, which assumes completion of the transactions outlined in **Section 5.5** of the Prospectus (which include the Offer) as though they had occurred on that date (the Pro Forma Historical Financial Information).

(collectively referred to as the Historical Financial Information)

The Historical Financial Information has been prepared for inclusion in the Prospectus and has been derived from the audited financial statements of the Company for FY2014, FY2015 and FY2016 which were audited by Grant Thornton Audit Pty Ltd in accordance with International Auditing Standards. The audit opinion issued to the Directors' of the Company in relation to FY2015 was qualified due to Grant Thornton Audit Pty Ltd being appointed after 31 December 2015 and therefore being unable to attend the physical stocktake. The audit opinion issued to the Directors' of the Company was unqualified in respect of FY2014 and FY2016.

As stated in **Section 5.1** of the Prospectus the basis of preparation is the recognition and measurement principles contained in Generally Accepted Accounting Principles in the United States of America (USGAAP) and the Company's adopted accounting policies set out in **Appendix A** to the Prospectus.

We have assumed, and relied on representations from certain members of management of Visioneering, that all material information concerning the historical operations of Visioneering has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

08. Independent Limited Assurance Report

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Directors' Responsibility

The Directors of Visioneering are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions and the basis of preparation of the Pro Forma Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Historical Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information*".

Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Our engagement did not involve updating or reissuing any previously issued audit reports on any historical financial information used as a source of the Historical Financial Information.

Conclusion

Historical and Pro Forma Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Historical Financial Information as described in **Section 5** of the Prospectus does not present fairly:
  - The historical statement of operations for FY2014, FY2015 and FY2016;
  - The historical statement of cash flows for FY2014, FY2015 and FY2016;
  - The historical balance sheet at 31 December 2016; or

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- The pro forma balance sheet as at 31 December 2016 has not been properly prepared on the basis of the Pro Forma Transactions or the Pro Forma Transactions do not set out a reasonable basis for it;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under USGAAP and the Company's stated accounting policies (as set out in Appendix A of the Prospectus).

Restriction on Use

Without modifying our conclusion, we draw your attention to **Section 5** of the Prospectus which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose. This report should be read in conjunction with the Prospectus.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

Neil Cooke
Partner

08. Independent Limited Assurance Report

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Appendix A (Financial Services Guide)

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

This Financial Services Guide is dated 24 February 2017.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by Visioneering Technologies Inc. (the Company) to provide general financial product advice in the form of an Independent Limited Assurance Report (the Report) in relation to the offer of CHESS Depositary Interests in the Company (the Offer). This report is included in the Replacement Prospectus dated on or about 24 February 2017 (the Prospectus). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Our Ref: R-170224-VTI-FSG (Final-Replacement).Docx

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report, Grant Thornton Corporate Finance will receive from the Company a fee of A$135,000 (excluding GST) which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receives non-monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint.

08. Independent Limited Assurance Report

If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

9 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

10 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

09.

Patent Attorney's Report

09. Patent Attorney's Report

SEYFARTH SHAW

Seyfarth Shaw LLP
Seaport East
Two Seaport Lane, Suite 300
Boston, MA 02210-2028
(617) 946-4800
fax (617) 946-4801
www.seyfarth.com

Writer's direct phone
(617) 946-4830

Writer's e-mail
bmichaelis@seyfarth.com

February 13, 2017

VIA EMAIL AND FEDEX

Board of Directors
Visioneering Technologies, Incorporated
4555 Mansell Rd #300
Alpharetta, GA 30022

Re: Visioneering Technologies, Inc. Intellectual Property Portfolio Overview and Status

Dear Sirs:

This letter has been prepared by Seyfarth Shaw LLP ("Seyfarth" or "Seyfarth Shaw") for inclusion in a Prospectus to be issued by Visioneering Technologies, Inc. ("VTI"). The information in this letter is being provided on information and belief, based on personal knowledge, firm records, and consultation with VTI, unless otherwise indicated. The portions of the attached "Intellectual Property Schedule" as discussed herein are accurate as of February 13, 2017.

Background

Seyfarth Shaw is a general practice law firm with approximately 850 attorneys in the United States, London, Shanghai, Melbourne and Sydney. This report has been prepared by Patrick T. Muffo, an income partner attorney at the firm, with the oversight and review of Brian L. Michaelis, an equity partner attorney. Both attorneys are registered to practice before the U.S. Patent and Trademark Office. Several attorneys at Seyfarth have provided advice to VTI relating to its patent portfolio for numerous years resulting in the firm's familiarity with VTI's patent portfolio.

This letter focuses on the intellectual property assets owned by VTI ("VTI's Portfolio") and is intended to provide a general overview and status to aid in understanding the subject matter and scope of VTI's Portfolio. No legal, financial or other opinion or advice is intended or offered here.

While Seyfarth handles prosecution of the United States patent applications in VTI's portfolio, Messrs. Muffo and Michaelis do not practice before the patent offices of jurisdictions outside of the United States. For patent applications outside of the United States, the services of established firms of non-U.S. patent attorneys are utilized.

We understand VTI utilizes the services of Nelson Mullins Riley & Scarborough LLP ("Nelson Mullins") for non-patent intellectual property.

Intellectual Property

A patent for an invention is a grant of a property right by a government to an inventor or his/her assigns. In the United States, by statute, any person who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvements thereof, may obtain a patent," subject to the conditions and requirements of the law. The right conferred by the patent grant is "the right to exclude others from making, using, or selling" the invention. The patent right granted is not the right to make, use, or sell a product that incorporates the patented technology, but rather the right to exclude others from making, using, or selling such a product. Similar patent rights are granted in other countries. The term of a United States patent is limited, typically 20 years from the date the application was filed or from the earliest non-provisional priority date in that country. Patents may be granted for a novel and non-obvious machine, manufacture, or process (of use or manufacture).

Trademarks are generally a word or logo that indicates the origin of particular goods or services. Registration enables the owner of the mark to utilize that mark in association with specific goods or services. Trademarks may last indefinitely, provided certain filings are made after registration and fees are paid at regular intervals. In the United States, renewal fees must be paid every ten years. Similar requirements exist in other countries.

All the active patent applications and issued patents listed in the attached Intellectual Property Schedule are currently pending or in force, to the best of Seyfarth's knowledge. Where a patent (or trademark) is listed in the Schedule as being issued, there is no guarantee that the patent (or trademark) is valid and enforceable. In addition, there can be no assurance that each of the patent or trademark applications listed in the Schedule will result in the grant of a patent or trademark, or that the scope protection will be identical to the scope of the application as originally filed.

VTI's Intellectual Property

VTI's earlier patents include U.S. 6,474,814. The Abstract of that patent, and its corresponding foreign applications, reads as follows:

> Multifocal lenses are defined by nonconical aspheric optical surfaces. Various alternative surface shapes provide a central distance vision region surrounded by an optical step. The optical step has rapidly increasing power in the radial direction which creates an induced aperture through which the cortical elements of the vision system are induced to concentrate. The induced aperture results in increased clarity in distance vision. Nonconical aspheric optical surfaces are defined to produce the desired optical power distributions. These surface functions are also provided in form of polynomial series for simplicity of use in computer driven lathes for shaping contact lenses. The invention includes contact lenses, scleral lenses, intraocular lenses, and lenses impressed or surgically shaped within the corneal tissue as well as methods of designing and fitting these lenses.

09. Patent Attorney's Report

Fig. 1 of U.S. 6,474,814 is defined as "a graph of optical power as a function of radius for one embodiment of the invention" and is shown below:

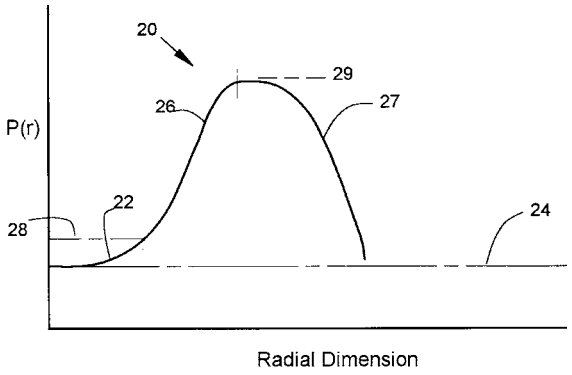


FIG. 1 - Exemplary power profile as first published in U.S. Patent No. 6,474,814

VTI also has a United States patent application and several foreign patents or allowed applications for a "Method of Treating Myopia Progressions." For example, U.S. Patent Application No. 14/126,056 summarizes the application as follows in the Abstract:

> A method is provided for addressing myopia progression or inclination to myopia in which the influence of accommodative lag stress on myopia is reduced or eliminated to counter eye axial length growth. User depth of focus is increased to relieve stress from overall accommodative effort and stress from accommodation and accommodative lag to retard myopia progression and enable continuous and long term treatment by the user.

VTI recently filed a patent application titled "Induced Aperture Lens and Method" in the United States (U.S. Patent Application No. 15/040,518 (the "'518 Application")) and other foreign counterparts. For example, the abstract of the '518 Application reads:

> Disclosed are lenses and methods for verifying a lens with an induced aperture. The lenses can have a geometry that, among other things, maintains a centered position about a wearer's eye to prevent more than a permissible amount of movement of the lens relative to the eye. Further discloses is a method for verifying the power profiles used with the lens, and a lens that can have a single power profile for a wide range of presbyopia.

The '518 Application includes a section titled "Design of the lens to improve fitting characteristics" and includes, for example, the following charts of data:

Base Curve	Thickness - Center, Peripheral	Test Number	Movement With Blink	Primary Gaze Lag	Up Gaze Lag
7.9	0.120, 0.220	18	avg 0.10mm, 10% 0.0mm movement	avg 0.07mm, 0% >0.3mm	avg 0.22mm, 0% >0.3mm
7.9	0.120, 0.310	19	avg 0.08mm, 26% 0.0mm movement	avg 0.06mm, 0% >0.3mm	avg 0.19mm, 0% >0.3mm
8.1	0.120, 0.220	15	N/A	avg 0.14mm, 0% >0.3mm	avg 0.31mm, 39% >0.3mm
8.1	0.120, 0.310	17	avg 0.09mm, 16% 0.0mm movement	avg 0.05mm, 0% >0.3mm	avg 0.17mm, 2% >0.3mm
8.1	0.120, 0.310	21	avg 0.11mm, 0% 0.0mm movement	avg 0.12mm, 0% >0.3mm	avg 0.21mm, 8% >0.3mm
8.1	0.120, 0.310	22	avg 0.11mm, 0% 0.0mm movement	avg 0.07mm, 0% >0.3mm	avg 0.21mm, 8% >0.3mm
8.3	0.100, 0.220	14	N/A	avg 0.14mm, 0% >0.3mm	avg 0.34mm, 36% >0.3mm
8.3	0.120, 0.310	16	N/A	avg 0.14mm, 0% >0.3mm	avg 0.33mm, 39% >0.3mm
8.3	0.120, 0.310	24	avg 0.19mm, 0% 0.0mm movement	avg 0.11mm, 0% >0.3mm	avg 0.20mm, 0% >0.3mm
8.5	0.100, 0.310	9	N/A	avg 0.14mm, 0% >0.3mm	avg 0.37mm, 71 >0.3mm
8.5	0.100, 0.220	11	N/A	avg 0.19mm, 7% >0.3mm	avg 0.47mm, 64% >0.3mm
8.5	0.100, 0.220	12	N/A	avg 0.18mm, 0% >0.3mm	avg 0.41mm, 62% >0.3mm
8.5	0.100, 0.220	13	N/A	avg 0.19mm, 0% >0.3mm	avg 0.41mm, 52% >0.3mm

Table 1-A: Base Curve Range Chart

Test Number	Decentration - Vertical	Decentration - Horizontal	Lens Buckling/ Fluting	Optical Distortion	Result Summary	Sample Size
18	avg 0.00mm, 0% >0.3mm	avg 0.17mm, 0% >0.3mm	0%	2%	4% too tight	50 eyes
19	avg 0.00mm, 0% >0.3mm	avg 0.17mm, 0% >0.3mm	0%	0%	6% too tight	50 eyes
15	avg 0.06mm, 6% >0.3mm	avg 0.16mm, 16% >0.3mm	0%	0%	0% too loose or tight	62 eyes
17	avg 0.00mm, 0% >0.3mm	avg 0.16mm, 0% >0.3mm	0%	0%	0% too tight	50 eyes
21	avg 0.00mm, 0% >0.3mm	avg 0.16mm, 0% >0.3mm	0%	0%	0% too tight	36 eyes
22	avg 0.00mm, 0% >0.3mm	avg 0.12mm, 0% >0.3mm	0%	0%	0% too tight	36 eyes
14	avg 0.07mm, 3% >0.3mm	avg 0.18mm, 13% >0.3mm	0%	0%	0% too loose or tight	76 eyes
16	avg 0.08mm, 6% >0.3mm	avg 0.21mm, 19% >0.3mm	0%	0%	0% too loose or tight	62 eyes
24	avg 0.00mm, 0% >0.3mm	avg 0.09mm, 0% >0.3mm	0%	0%	0% too loose or tight	52 eyes
9	avg 0.08mm, 0% >0.3mm	avg 0.19mm, 11% >0.3mm	0%	0%	0% too loose or tight	38 eyes
11	avg 0.10mm, 5% >0.3mm	avg 0.30mm,31% >0.3mm	0%	0%	7% too loose or decentered	42 eyes
12	avg 0.08mm, 5% >0.3mm	avg 0.20mm,21% >0.3mm	0%	0%	0% too loose or tight	42 eyes
13	avg 0.10mm, 5% >0.3mm	avg 0.25mm,21% >0.3mm	0%	0%	2% decentered	42 eyes

Table 1-B: Base Curve Range Chart

09. Patent Attorney's Report

Base Curve	Thickness - Center, Peripheral	Test Number	Distance Vision (% >= 84)	Near Vision (% >= 67)	Overall Vision (% >= 76)	Comfort (% >=92)	Sample Size (subjects)
7.9	0.120, 0.220	18	60.0%	76.0%	56.0%	56.0%	25
7.9	0.120, 0.310	19	52.0%	60.0%	48.0%	52.0%	25
8.1	0.120, 0.220	15	58.1%	87.1%	61.3%	64.5%	31
8.1	0.120, 0.310	17	68.0%	100.0%	76.0%	64.0%	25
8.1	0.120, 0.310	21	94.4%	94.4%	88.9%	72.2%	18
8.1	0.120, 0.310	22	66.7%	83.3%	72.2%	66.7%	18
8.3	0.100, 0.220	14	67.7%	87.1%	71.0%	74.2%	31
8.3	0.120, 0.310	16	64.5%	90.3%	61.3%	67.7%	31
8.3	0.120, 0.310	24	95.7%	95.7%	95.7%	73.9%	23
8.5	0.100, 0.310	9	N/A	N/A	N/A	N/A	N/A
8.5	0.100, 0.220	11	76.2%	100.0%	76.2%	66.7%	21
8.5	0.100, 0.220	12	76.2%	100.0%	76.2%	52.4%	21
8.5	0.100, 0.220	13	76.2%	95.2%	66.7%	52.4%	21

Table 2: Subjective Data for 7.9-8.5 mm Base Curve

The '518 Application also includes a section titled "Optical power verification." This section states "Another aspect of the present invention utilizes optical power verification to ensure the function of the disclosed lens and to correct the measured clinical refractive error in the eyes of a user." This section also lists the following algorithms:

Distance Power (Labeled Power) – Area weighted arithmetic average radial sagittal power integrated over, for example, the central 2 mm diameter of the lens

$$Dist\ Power = \frac{\sum_{r=0}^{1}(P(r) * (2\pi r))}{\sum_{r=0}^{1}(2\pi r)}$$

(where P(r) is the sagittal power as a function of the radius (r) from lens center)

Aperture Inducing Power – The difference between the area weighted arithmetic average radial sagittal power integrated over, for example, an annular region between 2 and 4 mm diameter, and the distance power.

$$Aper.Induc.Power = \frac{\sum_{r=0}^{2}(P(r) * (2\pi r)) - \sum_{r=0}^{1}(P(r) * (2\pi r))}{\sum_{r=0}^{2}(2\pi r) - \sum_{r=0}^{1}(2\pi r)} - Dist\ Power$$

(where P(r) is the sagittal power as a function of the radius (r) from lens center)

The '518 Application also includes a section titled "Lens having a single power profile for multiple presbyopes." The section explains the invention as:

Through clinical testing, the present inventors unexpectedly discovered that a single power profile could induce a single optical aperture with enough depth of focus to satisfy a wide range of presbyopes. Rather than requiring different power profiles to produce different "add powers" in prior art contact lenses for wearers with different degrees of presbyopia, only one lens need be used for individuals with different degrees of presbyopia.

VTI's Intellectual Property Portfolio

VTI files patent applications in the United States, either directly or as national-stage applications that claim priority to international applications filed under the Patent Cooperation Treaty ("PCT"). VTI also files applications abroad based on their PCT applications, including applications in China, Japan, Korea, Europe, Singapore, Taiwan, Brazil, Mexico, and Australia. VTI uses its own business judgment as to whether to maintain, continue or abandon its applications or patents. VTI's issued and pending patents are listed in Part A of the attached Intellectual Property Schedule, and VTI's issued and pending trademarks are listed in Part B.

Disclaimers

It is our understanding that it is VTI's policy to pay all maintenance, annuity, and application fees when those fees are due. As of the date of this letter, all required fees for the patents, trademarks, and applications listed in the Schedule have been paid and those patents and applications are in good standing, to the best of Seyfarth's knowledge.

The scope of protection provided by VTI's patents is determined by the scope of the claims of VTI's patents as construed by a court of law. Seyfarth cannot opine on the exact scope of the claims of the United States patents as that will be determined by a judge during claim construction. Seyfarth also cannot opine on the exact scope of the claims of the non-US patents, as Messrs. Muffo and Michaelis do not practice patent law in any country other than the United States.

The validity and enforceability of the patents also cannot be guaranteed. For example, validity may be determined based on information such as prior art that may or may not anticipate or render obvious the claims of VTI's patents, and it is impossible for Seyfarth to be aware of all such prior art.

Seyfarth also cannot guarantee that the patent and trademark applications in the attached Schedule will issue as patent or trademarks. Further, the scope of the applications may change between the date of this letter and the date of issuance, assuming the applications do issue.

Competitors may be able to compete with VTI by designing around the claims of VTI's patents, or by otherwise using products and techniques that are outside the scope of VTI's patents. Additionally, VTI may be prevented from practicing its technologies, including its patented technologies, due to the presence of third-party intellectual property.

Nothing in this letter shall be construed as an offer to sell or purchase any security, or as an attempt to induce anyone into selling or purchasing any security. The contents of this letter merely

09. Patent Attorney's Report

summarize VTI's Intellectual Property Portfolio, and as a result, it omits certain details of the portfolio that can only be gleaned through an investigation of the patents, trademarks, and applications themselves, with the guidance of competent legal and technical counsel.

Very truly yours,

Seyfarth Shaw LLP

Brian Michaelis

BLM/ptm

28499077v.3

Intellectual Property Schedule

Part A - Patents and Patent Applications

Country Name	Application Number	Priority Date	Patent Number	Title	Status
Australia	2012270984	June 15, 2011	2012270984	METHOD OF TREATING MYOPIA PROGRESSIONS	Issued
Singapore	201309243-2	June 15, 2011	195753	METHOD OF TREATING MYOPIA PROGRESSIONS	Issued
United States of America	14/126056	June 15, 2011	N/A	METHOD OF TREATING MYOPIA PROGRESSIONS	Pending
Taiwan	101121415	June 15, 2011	N/A	METHOD OF TREATING MYOPIA PROGRESSIONS	Pending
China (People's Republic)	201280039522.1	June 15, 2011	N/A	METHOD OF TREATING MYOPIA PROGRESSIONS	Pending
Korea, Republic of	10-2014-7001055	June 15, 2011	N/A	METHOD OF TREATING MYOPIA PROGRESSIONS	Pending

09. Patent Attorney's Report

Japan	2014-515888	June 15, 2011	N/A	METHOD OF TREATING MYOPIA PROGRESSIONS	Pending
United States of America	10/970,272	June 8, 2000	7,178,918	OPHTHALMIC LENSES WITH INDUCED APERTURE AND REDUNDANT POWER REGIONS	Issued
United States of America	09/657,562	June 8, 2000	6,474,814	MULTIFOCAL OPHTHALMIC LENS WITH INDUCED APERTURE	Issued
Japan	JP 2002-524753	June 8, 2000	JP 5379945 B2	MULTIFOCAL OPHTHALMIC LENS WITH INDUCED APERTURE	Issued
Spain	ES20010968699T	June 8, 2000	ES2349797 T3	MULTIFOCAL OPHTHALMIC LENS WITH INDUCED APERTURE	Issued
European Patent Convention	EP20010968699	June 8, 2000	EP1381908 B1	MULTIFOCAL OPHTHALMIC LENS WITH INDUCED APERTURE	Issued
Canada	CA 2421740 A	June 8, 2000	CA 2421740 C	MULTIFOCAL OPHTHALMIC LENS WITH INDUCED APERTURE	Issued

Austria	EP20010968699	June 8, 2000	AT 20010968699T	MULTIFOCAL OPHTHALMIC LENS WITH INDUCED APERTURE	Issued
United States of America	15/040,518	February 10, 2016	N/A	Induced Aperture Lens and Method	Pending
Australia	2016201071	February 10, 2016	N/A	Induced Aperture Lens and Method	Pending
China (People's Republic)	201610818780.X	February 10, 2016	N/A	Induced Aperture Lens and Method	Pending
European Patent Convention	16170493.7	February 10, 2016	N/A	Induced Aperture Lens and Method	Pending
Singapore	10201603913S	February 10, 2016	N/A	Induced Aperture Lens and Method	Pending

09. Patent Attorney's Report

Part B - Trademarks and Trademark Applications

Trademark	Country	Application No.	Application Date	Registration Number	Registration Date	Field of Goods	Status
NATURALVUE	Canada	1640736	8/23/2013	-	-	Contact lenses	Allowed
SEE NATURALLY	United States	86/147,740	12/18/2013	4736208	5/12/2015	Contact lenses	Registered
NEUROFOCUS OPTICS	United States	86/206,004	2/27/2014	4736426	5/12/2015	Contact lenses	Registered
NATURALVUE	United States	86/046,075	8/23/2013	4756636	6/16/2015	Contact lenses	Registered
REDEFINING VISION	United States	86/067,592	9/18/2013	4756688	6/16/2015	Contact lenses	Registered

10.

Taxation

10. Taxation

The taxation consequences of investing in CDIs (or the underlying Shares) will depend on your particular circumstances. It is your responsibility to satisfy yourself of the particular taxation treatment that applies to you by consulting your own professional tax advisers before investing in CDIs. Neither Visioneering nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of the taxation consequences connected with an investment in CDIs.

10.1 Australian taxation

This Section provides a general statement of the Australian income tax, goods and services tax and stamp duty consequences for Australian tax resident investors that acquire and hold CDIs (or Shares) on capital account. It does not apply to CDI Holders who acquire their CDIs under an employee share scheme or that hold their CDIs as trading stock or otherwise on revenue account. This Section does not address the foreign tax consequences for any investor.

The following summary is based on the relevant Australian taxation laws as at the date of this Prospectus, except where otherwise indicated. These laws, and their interpretation by the Courts, are subject to change from time to time.

10.1.1 Receipt of dividends on CDIs

If a dividend is paid by Visioneering, an Australian resident CDI Holder must include the dividend in his, her or its assessable income. As Visioneering is not an Australian resident company, its dividends will be unfranked, even if it has been subject to tax on any Australian source income.

Where the dividend is subject to withholding tax in the US, the gross amount of the dividend is generally included in assessable income and an Australian resident CDI Holder may be entitled to a foreign income tax offset equal to:

- the US tax withheld if the total foreign income tax paid or claimed by the holder in the applicable tax year is less than A$1,000; or
- in any other case, the lesser of the US tax or the Australian tax payable on the dividend.

However, the dividend will not be assessable (and no offset will apply) to a company that holds a 10% or greater participation interest in Visioneering.

10.1.2 Disposal of CDIs

The disposal of CDIs will give rise to a CGT event for an Australian resident. The conversion of a CDI to a Share (or vice versa) should not give rise to a taxable disposal on the basis that the absolute beneficial interest remains with the holder at all times.

Unless any CGT roll-over relief applies, an Australian resident will make:

- a capital gain to the extent the capital proceeds from the disposal of the CDIs are greater than the cost base of the CDIs; or
- a capital loss to the extent the capital proceeds from the disposal of the CDIs are less than the reduced cost base of the CDIs.

The capital proceeds is the total of the money and the market value of any other property received or receivable for the disposal of the CDIs.

The cost base and reduced cost base of the CDIs for the purpose of working out a capital gain or loss on disposal will include the money paid to acquire the CDIs plus any incidental costs of acquisition and disposal (e.g. brokerage).

An Australian resident taxpayer must include any net capital gain (after taking account of capital losses) in his, her or its assessable income for the income year in which the CGT event occurs, subject to any CGT discount (see below). A net capital loss may generally be carried forward to offset capital gains made in a later income year, however a company will need to satisfy a continuity of ownership or same business test in order to do so.

No foreign resident capital gains withholding will apply if the disposal is effected on the ASX or through a crossing system. If the disposal is made off-market, no withholding will apply where the CDI Holder has provided the purchaser with a declaration that the CDI Holder is an Australian resident for tax purposes when the transaction is entered into.

10.1.3 CGT discount

A CDI Holder that is an individual, the trustee of a trust or a complying superannuation entity may be entitled to the CGT discount on the disposal of CDIs that have been held for at least 12 months before the CGT event.

The CGT discount reduces the capital gain otherwise assessable (after taking account of any capital losses) by:

- 50% in the case of an individual or the trustee of a trust; or
- 33⅓% in the case of a complying superannuation entity.

The discount may be reduced for any part of the ownership period that the CDI Holder is a foreign or temporary resident.

No CGT discount applies to a company which holds CDIs. However, a company which holds a direct voting interest of 10% or more of Visioneering may be entitled to reduce the capital gain to the extent Visioneering's underlying assets are active foreign business assets.

10.1.4 Goods and services tax considerations

A CDI Holder should not be liable to pay GST on the acquisition or disposal of CDIs. However, GST may be payable on brokerage fees.

10.1.5 Stamp duty considerations

A CDI Holder should not be liable to pay stamp duty as a consequence of the acquisition or disposal of CDIs.

10.2 US taxation

The following summary describes the material US federal income and estate tax considerations with respect to the ownership and disposition of CDIs and Shares that may be relevant to a non-US Holder that acquires CDIs pursuant to the Offer.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (**Code**), applicable US Treasury Regulations promulgated thereunder and the US Internal Revenue Service (**IRS**) rulings and pronouncements and judicial decisions, all as in effect as of the date of this Prospectus. These authorities may be changed (possibly on a retroactive basis) resulting in tax considerations different from those summarised below. The Company cannot assure potential investors that the IRS will not take a position contrary to the statements made in this discussion or that any such contrary position taken by the IRS would not be sustained.

This discussion applies to non-US Holders that hold CDIs or Shares as a 'capital asset' within the meaning of section 1221 of the Code (generally, property held for investment). As used in this discussion, the term 'non-US Holder' means a beneficial owner of CDIs or Shares that is not a 'US Holder'. A US Holder means a beneficial owner of CDIs or Shares who is for US federal income tax purposes:

- an individual who is a citizen or resident of the US;
- a corporation including any entity treated as a corporation for US federal income tax purposes created or organised in or under the laws of the US, any state within the US, or the District of Columbia;
- an estate, the income of which includes gross income for US federal income tax purposes regardless of its source; or
- a trust:
  - if a US court is able to exercise primary supervision over the administration of the trust and one or more US persons have authority to control all substantial decisions of the trust; or
  - that has made a valid election to be treated as a US person for such purposes.

10. Taxation

This summary does not address the US federal income tax rules applicable to any person who holds Shares through entities treated as partnerships for US federal income tax purposes or to such entities themselves. If a partnership (including any entity or arrangement treated as a partnership for US federal income tax purposes) owns Shares, the tax treatment of a partner in that partnership will generally depend upon the status of the partner and the activities of the partnership. A Shareholder that is a partnership or a holder of interests in a partnership should consult their tax advisor regarding the tax consequences of the purchase, ownership and disposition of Shares.

This discussion does not address:

- any state, local or non-US tax considerations;
- any US federal gift tax considerations; or
- any US federal tax considerations that may be relevant to a non-US Holder in light of its particular circumstances or to non-US Holders that may be subject to special treatment under US federal tax laws, including without limitation, banks or other financial institutions, insurance companies, tax-exempt organisations, tax qualified retirement plans, certain trusts, hybrid entities, controlled foreign corporations, passive foreign investment companies, certain former citizens or residents of the US, holders subject to US federal alternative minimum tax, broker-dealers, dealers or traders in securities or currencies, and non-US Holders that hold CDIs or Shares as part of a 'straddle', 'hedge', 'conversion transaction', 'synthetic security' or other integrated investment.

Prospective investors are urged to consult their tax advisers regarding the application of US federal income and estate tax laws to their particular situation as well as any tax consequences arising under US federal estate and gift tax laws, or under law of any state, local, non-US or other taxing jurisdiction or any applicable treaties.

10.2.2 Dividends

In the event that the Company makes a distribution on its CDIs or Shares, the distribution will constitute a taxable dividend for US federal income tax purposes to the extent that the distribution is made from the Company's current or accumulated earnings and profits, as determined under US federal income tax principles. To the extent a distribution exceeds the Company's current and accumulated earnings and profits, the excess will first reduce the non-US Holder's adjusted tax basis in its CDIs or Shares, but not below zero, and will then be treated as gain and taxed in the same manner as a gain realised from the sale or other disposition of CDIs or Shares as described in Section 10.2.3.

A dividend paid to a non-US Holder will generally be subject to withholding of US federal tax at a rate of 30%, or a lower rate under an applicable tax treaty, unless the dividend is effectively connected with the conduct of a trade or business of the non-US Holder within the US and, if a tax treaty applies and so requires, is attributable to a US permanent establishment of the non-US Holder. Non-US Holders will be required to satisfy certain certification and disclosure requirements in order to claim a reduced rate of tax under a tax treaty. Non-US Holders should consult their tax advisers regarding their entitlement to benefits under a tax treaty.

Dividends that are effectively connected with a non-US Holder's conduct of a trade or business in the US and, if a tax treaty applies and so requires, attributable to a US permanent establishment, will be taxed on a net income basis at graduated income tax rates in the same manner as if the non-US Holder were a resident of the US. In such cases, the Company will not be required to withhold tax if the non-US Holder complies with the applicable certification and disclosure requirements. A corporate non-US Holder that receives dividends that are effectively connected with the conduct of a trade or business in the US may also be subject to an additional 'branch profits tax' which is imposed, under certain circumstance, at a rate of 30% (or such lower rate as may be specified by an applicable tax treaty) on the holder's effectively connected earnings and profits, subject to certain adjustments.

To claim the benefit of a tax treaty or an exemption from withholding because the income is effectively connected with the conduct of a trade or business in the US, a non-US Holder must timely provide the Company with a properly executed IRS Form W-8BEN for treaty benefits or W-8ECI for effectively connected income, or other appropriate IRS form. A non-US Holder may obtain a refund or credit of any excess amount withheld by filing an appropriate claim for a refund with the IRS.

10.2.3 Gain on disposition of CDIs or Shares

A non-US Holder will generally not be subject to US federal income tax with respect to a gain realised on a sale or other disposition of CDIs or Shares unless:

(a) the gain is effectively connected with the non-US Holder's conduct of a trade or business in the US and, if a tax treaty applies and so requires, is attributable to a US permanent establishment maintained by such holder;

(b) the non-US Holder is an individual present in the US for 183 days or more in the taxable year of the disposition and certain other conditions are met; or

(c) the Company is or has been a 'US real property holding corporation' at any time within the shorter of the five year period ending on the date of disposition or the period that the non-US Holder held CDIs or Shares.

A non-US Holder described in paragraph (a) above, will be taxed on its net gain at graduated rates in the manner applicable to US residents and, if the non-US Holder is a foreign corporation, the branch profits tax described above may apply. An individual described in paragraph (b) will be taxed at a flat 30% rate on the gain, or such reduced rate as is specified by an applicable tax treaty, which gain may be offset by US source capital losses. The Company does not believe that it is, and does not anticipate that it will become, a US real property holding corporation.

10.2.4 Federal estate tax

CDIs or Shares owned or treated as owned by an individual non-US Holder (as specifically defined for US federal estate tax purposes) at the time of death are considered US situs assets includible in the individual's gross estate for US federal estate tax purposes and therefore are subject to US federal estate tax, unless an applicable estate tax treaty provides otherwise.

Prospective investors are urged to consult their tax advisers regarding the US federal estate tax considerations of holding CDIs or Shares.

10.2.5 Information reporting and backup withholding tax

Dividends and proceeds from the sale or other disposition of the CDIs or Shares are potentially subject to information reporting and backup withholding. Under US Treasury Regulations, the Company must report annually to the IRS and to each non-US Holder the gross amount of distributions on the CDIs or Shares paid to such non-US Holder and the tax withheld with respect to those distributions. These information reporting requirements apply even if withholding was not required because of an applicable tax treaty or an exception in the Code. Pursuant to an applicable tax treaty, that information may also be made available to the tax authorities in the country in which the non-US Holder resides.

Backup withholding generally will not apply to payments of dividends made by the Company to a non-US Holder if the holder has provided the required certification that it is not a US person, or if other requirements are met. Dividends paid to a non-US Holder who fails to certify status as a non-US person in accordance with the applicable US Treasury Regulations generally will be subject to backup withholding at the applicable rate, which is currently 28%, subject to regulations creating a presumption in certain circumstances in the absence of documentation that a payee is a foreign person to which the 30% withholding tax is to be assessed. Dividends paid to non-US Holders are subject to the 30% withholding tax described above under 'Dividends'. In general, backup withholding and information reporting will not apply to proceeds from the disposition of the CDIs or Shares paid to a non-US Holder that has properly certified the person's status as a non-US person. Payments of the proceeds from a disposition or a redemption effected outside the US by a non-US Holder, made by or through a foreign office of a non-US broker, generally will not be subject to information reporting or backup withholding. However, information reporting, but not backup withholding, generally will apply to such a payment if the non-US broker has specified types of connections with the US, unless the broker has documentary evidence in its records that the beneficial owner is a non-US holder and specified conditions are met or an exemption is otherwise established. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the non-US Holder's US federal income tax liability if required information is furnished to the IRS.

Non-US Holders should consult with their tax advisers regarding the application of the information reporting and backup withholding rules to them and the availability of, and procedure for obtaining an exemption from, backup withholding.

10. Taxation

10.2.6 Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (**FATCA**) may impose withholding taxes on certain types of payments made to 'foreign financial institutions' and certain other non-US entities. Under FATCA, the failure to comply with additional certification, information reporting and other specified requirements could result in withholding tax being imposed on payments of dividends and sales proceeds to certain non-US Holders.

FATCA imposes a 30% withholding tax on dividends in respect of CDIs or Shares, or gross proceeds from the sale or other disposition of the CDIs or Shares paid to a foreign financial institution or to a foreign non-financial entity, unless:

(a) the foreign financial institution undertakes certain diligence and reporting obligations; or

(b) the foreign non-financial entity either certifies it does not have any substantial US owners or furnishes identifying information regarding each substantial US owner.

However, possible withholding on gross proceeds will not be effective until 1 January 2019.

In addition, if the payee is a foreign financial institution, it must enter into an agreement with the US Treasury requiring, among other things, that it undertake to identify accounts held by certain US persons or US-owned foreign entities, annually report certain information about such accounts and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. Prospective investors should consult their tax advisers regarding the possible application of FATCA.

10.3 Interaction between Australian and US tax consequences

The receipt of dividends by an Australian tax resident CDI Holder and the disposal of CDIs by an Australian tax resident CDI Holder may, in some circumstances, give rise to both Australian and US tax. Whether a tax credit is available in one jurisdiction to offset the tax paid in the other jurisdiction will depend upon the CDI Holder's particular circumstances.

11.

CDIs, Shares and other corporate information

11. CDIs, Shares and other corporate information

11.1 Registration as a foreign company

On 12 December 2016, Visioneering was registered as a foreign company in Australia under the Corporations Act.

Boardworx Australia Pty Limited (ABN 33 144 036 911) has been appointed as the local agent of Visioneering pursuant to the Corporations Act. Ms Leanne Ralph has been engaged to act as the Australian company secretary for Visioneering.

11.2 Capital and ownership structures

11.2.1 Capital structure

The following table sets out the Company's indicative capital structure immediately prior to and following the Offer.

	Pre-Offer[1]	Post-Offer		
	Number	Number	Undiluted basis %	Fully diluted basis[2] %
Shares held by Existing Holders[3]	26,195,056	26,195,056	13.21%	12.48%
Indicative number of Shares to be issued on conversion of principal and accrued interest under Convertible Notes[4]	92,801,496	92,801,496	46.78%	44.21%
CDIs to be issued to new investors under the Offer		79,365,079	40.01%	37.81%
Total Shares[5]	118,996,552	198,361,631	100.00%	94.50%
Equivalent in CDIs[5]	118,996,552	198,361,631	–	–
Options[6]	11,543,074	11,543,074	–	5.50%

1 Assumes the Restructuring has occurred.

2 Assumes Options are converted on a one for one basis.

3 Does not include Shares or CDIs which the Existing Holders may subscribe for under the Offer, nor does it include Shares or CDIs which will be issued to certain Existing Holders on conversion of Convertible Notes (and accrued interest) which is separately dealt with in this table.

4 The number of Shares or CDIs to be issued is indicative as it assumes a conversion price based on an Offer Price of A$0.42 per Share/CDI and the Indicative Exchange Rate applying), and a conversion date of 22 March 2017. The Convertible Notes and accrued interest will convert at a conversion price equal to the Offer Price or a discount thereto (see Section 11.3), which is then, for all Convertible Notes other than the Australian Notes, converted into US dollars at the prevailing A$:US$ exchange rate.

5 Total number of Shares and equivalent CDIs is indicative as final numbers depends on the number of Shares and CDIs issued on conversion of the Convertible Notes (and accrued interest) – see footnote 4 above.

6 Assumes no change to the number of Options held pre-and post-close of Offer.

11.2.2 Options

At the date of this Prospectus, Visioneering has on issue the following Options.

Number of Options	Exercise price per Share (US$)	Expiry date
80,044	$0.060	14 January 2024
657,500	$0.067	1 October 2018
141,750	$0.067	24 November 2018
17,500	$0.067	1 January 2019
113,400	$0.067	18 February 2020
21,000	$0.067	24 March 2025
25,000	$0.070	26 July 2026
10,264,300	$0.070	12 January 2027
205,080	$0.090	7 September 2020
17,500	$0.090	15 December 2020
11,543,074		

11.2.3 Ownership structure

The ownership structure of Visioneering immediately prior to and following completion of the Offer is set out in the table below.

	Pre-Offer			Post-Offer			
Holder	**Shares[1]**	**% of Shares**	**Options**	**Shares[2]**	**Equivalent in CDIs[2]**	**% of Shares**	**Options[3]**
Charter Life Sciences II, L.P., Charter Life Sciences (Ohio) II, L.P. and CLS II Annex Fund, LLC	51,533,079	43.31%	–	51,533,079	51,533,079	25.98%	–
Regal Funds Management Pty Limited	16,921,069	14.22%	–	16,921,069	16,921,069	8.53%	–
Memphis Biomed Ventures II, LP	15,256,582	12.82%	–	15,256,582	15,256,582	7.69%	–
Directors[4]	319,233	0.27%	6,428,800	319,233	319,233	0.16%	6,428,800
Key Managers[5]	–	–	3,919,024	–	–	–	3,919,024
Other Existing Holders[6]	34,966,589	29.38%	1,195,250	34,966,589	34,966,589	17.63%	1,195,250
Total Existing Holders	**118,996,552**	**100.00%**	**11,543,074**	**118,996,552**	**118,996,552**	**59.99%**	**11,543,074**
New Shareholders	–	–	–	79,365,079	79,365,079	40.01%	–
TOTAL	**118,996,552**	**100.00%**	**11,543,074**	**198,361,631**	**198,361,631**	**100.00%**	**11,543,074**

1 Assumes the Restructuring has occurred.

2 The numbers of Shares, equivalent CDIs and percentage of Shares on a post-Offer basis are indicative as final numbers of Shares depend on the number of Shares and CDIs issued on conversion of the Convertible Notes (and accrued interest) – see footnote 4 to the table in Section 11.2.1. Figures for Existing Holders assume no participation by Existing Holders in the Offer.

3 Assumes no change to the number of Options held pre-and post-close of Offer.

4 The figures for 'Directors' does not include Shares held by Charter Life Sciences II, L.P., Charter Life Sciences (Ohio) II, L.P., CLS II Annex Fund, LLC, or Memphis Biomed Ventures II, LP, which are separately set out in the table.

5 The figures for Key Managers include securities held by the Key Managers listed in Section 6.2, excluding Dr Stephen Snowdy. The securities held by Dr Snowdy are included in the figures for 'Directors'.

6 Comprises employees and former employees, consultants, service providers, current and former financiers and other investors.

The Company's free float (within the meaning of the Listing Rules) at the time of Listing will be not less than 20%.

Information on the number of securities to be held on completion of the Offer that will be subject to escrow arrangements, and details of those escrow arrangements, is set out in Section 7.8.

11.3 Convertible Notes

Between March 2012 and November 2016, the Company undertook a number of fundraising rounds using convertible promissory notes (**Convertible Notes**), raising a total of approximately US$20.3 million. This includes a fundraising round that raised approximately A$13.5 million (approximately US$10.3 million) conducted between July and November 2016 (**Australian Notes**).

On the Allotment Date, the outstanding principal and any unpaid interest on the Convertible Notes will automatically convert into Shares either at the equivalent price per Share as the Offer Price, or at a 25% discount to it (however holders located outside of the United States will receive the equivalent number of CDIs). For all Convertible Notes other than the Australian Notes, the relevant conversion price will be converted into US dollars at the prevailing A$:US$ exchange rate published by the Reserve Bank of Australia two business days prior to conversion.

11. CDIs, Shares and other corporate information

Issue date of Convertible Notes	Expected amount outstanding (approx.)[1]	Conversion price	Expected no. of Shares issued on conversion[1]
Between March 2012 and September 2014	US$3,005,339.72 (equivalent to A$4,007,119.63)[2]	Offer Price[2,3]	9,594,235 Shares (equivalent to the same number of CDIs)
Between December 2014 and April 2016	US$8,912,432.20 (equivalent to A$11,883,242.94)	25% discount to Offer Price;[3] equivalent to approx. A$0.315 per CDI	37,724,553 Shares (equivalent to the same number of CDIs)
Between July 2016 and November 2016	A$14,327,075.34 (equivalent to US$10,745,306.51)	25% discount to Offer Price; A$0.315 per CDI	45,482,708 Shares (equivalent to the same number of CDIs)
Total	**US$22,663,078.43** (equivalent to A$30,217,437.91)		**92,801,496 Shares** (equivalent to the same number of CDIs)

1 Assumes that the Indicative Exchange Rate will apply and that the Allotment Date will be 22 March 2017.

2 Includes a Convertible Note dated 29 January 2013 (but with interest calculated from 2 March 2012) for which the Conversion Price is a 25% discount to the Offer Price (subject to note 3 below), equivalent to approximately A$0.315 per CDI. The expected amount outstanding on this Convertible Note (subject to note 1 above) will be US$50,539.72, equivalent to A$67,386.30, which is expected to be converted into 213,924 Shares (equivalent to the same number of CDIs).

3 Adjusted for the prevailing exchange rate between US dollars and Australian dollars.

11.4 Restructuring

Immediately prior to allotment of the CDIs, the Company intends to complete the Restructuring. The Restructuring comprises:

- the conversion of the principal and accrued interest on all outstanding Convertible Notes into Shares. Assuming the conversion occurs on 22 March 2017 and the Indicative Exchange Rate applies, 92,801,496 Shares (equivalent to the same number of CDIs) will be issued pursuant to this conversion. If the conversion occurs on a different date, the number of Shares (and equivalent number of CDIs) issued will be different, reflecting the effect of the interest accruing on a daily basis. If the prevailing exchange rate at the time of the conversion differs from the Indicative Exchange Rate, the number of Shares (and equivalent number of CDIs) will also be different; and
- the conversion of all outstanding shares of preferred stock into 16,617,758 Shares.

The Restructuring will result in the pre-Offer structure set out in this Prospectus being achieved.

Visioneering has obtained clearances from the Board and its existing Shareholders to give effect to the Restructuring. The Restructuring will become effective immediately prior to, but contingent upon, the allotment of the CDIs under the Offer.

11.5 CDIs

The relationship between Visioneering, CDN and the CDI Holders is governed in part by the Listing Rules and the ASX Settlement Operating Rules in combination with Visioneering's Bylaws. The Listing Rules and the ASX Settlement Operating Rules have the force of law under the Corporations Act.

Rights and specific features (including key differences) attaching to CDIs

1 Title	The CDI Holders hold the beneficial title to the Shares underlying the CDIs while CDN holds the legal title. CDI Holders receive all direct economic and other benefits of the Shares. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by CDI Holders.
2 Ratio	Each CDI will represent one Share. To obtain one Share, an investor will need to convert one CDI.
3 Conversion	A CDI Holder may either leave their holdings in the form of CDIs (so that legal title remains in the name of CDN) or convert the CDIs to Shares and hold legal title in their own right. CDI Holders can convert their ASX listed CDIs to Shares by instructing the Registry, either: • directly in the case of CDIs on the issuer sponsored sub-register operated by Visioneering. CDI Holders will be provided with a 'CDI Cancellation AU-US Register form' for completion and return to the Registry; or • through their 'sponsoring participant' (usually your broker) in the case of CDIs which are sponsored on the CHESS subregister. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Registry. The Registry will then arrange for the transfer of the Shares from CDN to the former CDI Holder and a new Statement of Account Holding will be issued. The Shares will be registered in the name of the holder on Visioneering's share register and trading on the ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any securities exchange. The Shares may bear restrictive legends on the register in accordance with US law. This process will normally be completed within three to five days once the Registry receives a duly completed and valid instruction. However, the timeframe for conversion cannot be guaranteed. The Registry will not charge an individual holder a fee for transferring their CDIs into Shares (although a fee may be payable by market participants). Shareholders can convert their holdings to CDIs by contacting the Registry and completing a 'CDI Issuance (United States Register to Australian CDI Register) form'. Again, the Registry will not charge a fee for the conversion (although a fee may be payable by market participants). The underlying Shares will then be transferred to CDN and a holding statement for the CDIs will be issued to the Shareholder. No trading in the CDIs on the ASX can take place until this transfer process is complete. The contact details for the Registry are set out in the Corporate Directory.

11. CDIs, Shares and other corporate information

Rights and specific features (including key differences) attaching to CDIs

4 Shareholders meetings and voting	CDI Holders may attend and vote at Visioneering's general meetings. The Company must allow CDI Holders to attend any meeting of Shareholders unless relevant US law at the time of the meeting prevents CDI Holders from attending those meetings. In order to vote at such meetings, CDI Holders may: • instruct CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI Holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Registry before the meeting; • inform Visioneering that they wish to nominate themselves or another person to be appointed as CDN's proxy for the purposes of attending and voting at the general meeting; or • convert their CDIs into a holding of Shares and vote these at the meeting. Afterwards, if the former CDI Holder wishes to sell their investment on the ASX it would need to convert the Shares back to CDIs. In order to vote in person, the conversion from CDIs to Shares must be completed before the record date for the meeting. See above for further information regarding the conversion process. One of the above steps must be undertaken before CDI Holders can vote at Shareholder meetings. CDI voting instruction forms and details of these alternatives will be included in each notice of meeting or proxy statement sent to CDI Holders by Visioneering.
5 Communications	CDI Holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from Visioneering.
6 Dividends and other distributions	Any dividend declared or other distribution paid in respect of the Shares underlying the CDIs will be distributed to CDI Holders. The Directors do not however, envisage that Visioneering will pay dividends or make other distributions for the foreseeable future. The Company expects that any dividends declared in the future will be paid in US dollars. Holders of CDIs trading on the ASX will receive an equivalent amount in Australian currency based on the exchange rate on the record date.
7 Registers	On Listing, Visioneering will operate three registers for the Shares and CDIs: • an uncertificated register of Shares; • an uncertificated issuer-sponsored sub-register of CDIs; and • an uncertificated CHESS sub-register of CDIs. The register of Shares will be the register of legal title. The Shares will be uncertificated unless a Shareholder requests a stock certificate from the Registry denoting the number of Shares owned. Visioneering must ensure that at all times the total number of CDIs on the issuer sponsored sub-register of CDIs and CHESS sub-register of CDIs reconciles with the number of Shares registered in the name of CDN on the Share register. Visioneering will make available for inspection the Share register and the CDI register as if those registers were registers of securities of an Australian listed public company.

Rights and specific features (including key differences) attaching to CDIs

8 Transfer	CDI Holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically through CHESS. Trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian public company.
9 Corporate actions (including bonus issues, rights issues and reconstructions)	Visioneering must administer all corporate actions (including bonus issues, rights issues, reconstructions and mergers) that result in the issue of additional or replacement Shares so that the benefits are generally distributed to CDI Holders on the same terms as Shareholders as though the CDI Holders are the holders of the relevant corresponding number of Shares.
10 Takeovers	If a takeover bid or similar transaction is made in relation to the Shares under which CDN is the registered holder, under the ASX Settlement Operating Rules CDN must not accept the takeover offer unless that acceptance is authorised by the relevant CDI Holder. If a CDI Holder instructs it to do so, CDN must ensure that the offeror processes the takeover acceptance.
11 Winding up	If Visioneering is in liquidation, dissolution or winding up, CDI Holders will be entitled to the same economic benefits on their CDIs as Shareholders receive on the Shares they hold.
12 Fees	A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares. CDN will not receive any fees from investors for acting as the depository for the CDIs.

11.6 Certificate of Incorporation, Bylaws and rights attaching to Shares

As Visioneering is incorporated under the laws of Delaware in the US, rights attaching to the Shares will be governed by Delaware law, US federal securities laws, Visioneering's Certificate of Incorporation and its Bylaws. Once listed on the ASX, Visioneering will also become subject to the Listing Rules.

The following is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only of the rights attaching to the Shares.

If you would like to read Visioneering's Certificate of Incorporation or Bylaws, these documents are available free of charge by writing to:

Visioneering Technologies, Inc.
c/- Boardworx Australia Pty Limited
Level 9, 115 Pitt Street,
Sydney NSW 2000
Australia
Attn: Australian Company Secretary

You should consult with your own legal adviser if you require further information.

11. CDIs, Shares and other corporate information

Rights of holders of shares in Visioneering

Rights attaching to Shares

1 Share capital

Following the completion of the Offer, the Company's authorised capital stock will consist of 500 million shares of Class A common stock of the Company (i.e. Shares), 100 million shares of Class B Common Stock and 50 million shares of undesignated preferred stock.

Preferred stock

Following the completion of the Offer, the Board will have the authority, without further action by Shareholders, to issue shares of preferred stock in one or more series. The Board may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference and the number of shares constituting any series. The issuance of preferred stock could have the effect of restricting dividends on Shares, diluting the voting power of Shares, impairing the liquidation rights of Shares, or delaying or preventing a change of control. Even the ability to issue preferred stock could delay or impede a change of control. Immediately after the closing of the Offer, no shares of preferred stock will be outstanding, and the Company currently has no plan to issue any shares of preferred stock.

Class B Common Stock

The Company has authorised an additional class of common stock designated as Class B Common Stock in order to fulfil the requirements of the Listing Rules so far as they apply to escrowed securities. In the event that holders of Shares who are subject to the ASX-imposed escrow breach that terms of their escrow agreement or the Listing Rules as they apply to escrowed securities, their Shares will be automatically converted into shares in Class B Common Stock until the earlier to occur of the expiration of the escrow period or the breach being rectified. The shares in Class B Common Stock are identical to and rank equally with the Shares except that they have no voting, dividend or distribution rights.

2 Purchase of own shares

Under Delaware law, the Directors may be able to cause Visioneering to buy-back its outstanding shares out of funds legally available without needing to obtain Shareholder approval. A company generally is not permitted to buy back its shares if its liabilities exceed its assets. In addition, share buy-backs are subject to US securities laws.

3 Acquisition / transfer of shares

Under Delaware law, shares are freely transferable, subject to applicable federal and state securities laws, unless a transfer restriction is imposed by a company's certificate of incorporation, bylaws or an agreement signed with the holder of the shares at issue. Accordingly, a company is obligated to register a transfer of shares unless such transfer would violate federal or state securities laws or a valid transfer restriction would be imposed as described above.

Once listed on the ASX, the Directors must not in any way prevent, delay or interfere with the registration of a transfer of quoted securities in Visioneering unless permitted by the Listing Rules or the ASX Settlement Operating Rules.

Rights of holders of shares in Visioneering

4 Dividends and distribution	Following the completion of the Offer, Visioneering's Certificate of Incorporation will entitle holders of shares to receive rateably any dividends the Board declares out of funds legally available for that purpose. Holders of Class B Common Stock will not be entitled to any dividends. Under Delaware law, the Directors may declare and pay dividends generally out of: • the surplus of the Company, which is defined to be the Company's net assets less capital; or • if no surplus exists, out of the net profits of the Company for the financial year in which the dividend is declared and/or the preceding financial year.
5 Variation of class rights	Under Delaware law, any amendment to Visioneering's Certificate of Incorporation that would alter or change the special rights, powers or preferences of one or more classes or series of stock so as to affect them adversely must, in addition to any other vote required by law or under the Certificate of Incorporation, be approved by the adversely affected class or series by a majority of all votes entitled to be cast by the shareholders of that class or series. Except as otherwise provided in Visioneering's Certificate of Incorporation, the issuance of shares of any series of common stock or preferred stock (assuming there were a sufficient number of authorised and unissued shares of such series) would not require a separate vote of any class or series of stock of Visioneering. However, an amendment increasing the number of authorised shares of a class or series of stock must be approved by the holders of a majority of the votes entitled to be cast by the shareholders of that class or series, unless Visioneering's Certificate of Incorporation provides that such vote is not necessary. Under Delaware law and Visioneering's Certificate of Incorporation, amendments to Visioneering's Bylaws can be made with Board or shareholder approval. The Board is authorised to amend Visioneering's Bylaws at any time by a vote of the majority of the authorised number of Directors. In order for the shareholders to amend Visioneering's Bylaws, the amendment must be approved by the holders of at least 66⅔% of the then-outstanding voting stock.
Capital raising	
6 Issue of shares	See the description of Visioneering's ability to issue Shares and preferred stock contained in item 1 above.
7 Listing Rules	Once listed on the ASX, Visioneering will be subject to the annual limit on security issuances found in the Listing Rules in relation to issuances of equity securities.

11. CDIs, Shares and other corporate information

Rights of holders of shares in Visioneering

Directors

8 Directors' liability	Under Delaware law, a company may include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the company or its Shareholders for monetary damages for breach of fiduciary duty as a director. However, the provision may not eliminate liability for breach of the director's duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, unlawful payment of dividends, unlawful purchases or redemptions of the Company's stock, or any transaction from which the director derived an improper personal benefit. Visioneering's Certificate of Incorporation provides that the liability of the Directors for monetary damages is eliminated to the fullest extent possible under applicable law.
9 Nomination of Directors	Under Visioneering's Bylaws, for nominations for the election to the Board to be properly brought before an annual meeting by a Shareholder, the Shareholder must deliver written notice, which contains the information required by Visioneering's Bylaws, to the Secretary of Visioneering no later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that, in the event that the date of the annual meeting is advanced or delayed by more than 30 days of the anniversary of the preceding year's annual meeting, notice by the Shareholder to be timely must be received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Under Delaware law and Visioneering's Bylaws, there is plurality voting for the election of Directors at annual meetings, which does not apply under Australian law. (In plurality voting, successful candidates are those that receive the highest number of votes at that meeting, irrespective of whether any such candidate has received a majority of the votes cast by Shareholders at the meeting, as is required in Australia. Under this mechanism, Shareholders are effectively not given the option to vote 'against' the proposed resolution.)
10 Casual vacancies	Unless the Board determines by resolution that vacancies will be filled by the Shareholders, vacancies on the Board will be filled only by the affirmative vote of a majority of the Directors then in office, even with less than a quorum of the Board, and not by the Shareholders. Any Director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the Director for which the vacancy was created or occurred and until such Director's successor will have been elected and qualified. Visioneering has been granted an in-principle waiver from Listing Rule 14.4 to permit this to occur.

Rights of holders of shares in Visioneering

Members' meetings	
12 Annual meeting	Under Delaware law, Visioneering is required to have an annual meeting of Shareholders and, if more than 13 months have passed since the last annual meeting, a Shareholder or Director may petition the court for an order compelling the holding of the annual meeting.
13 Notice of Shareholder meetings	Under Visioneering's Bylaws, notice of a meeting of Visioneering's Shareholders must generally be given to Shareholders entitled to vote at the meeting not less than 10 days, and not more than 60 days, prior to the date of the meeting.
14 Calling meetings	Special meetings of Visioneering's Shareholders may be called, for any purpose as is a proper matter for shareholder action under Delaware law, by (i) the Chairman of the Board, (ii) the CEO, or (iii) the Board pursuant to a resolution adopted by a majority of the total number of authorised Directors. There is no ability for Shareholders to call a special meeting.
15 Voting at meetings	At a meeting of Visioneering, every holder of Shares present in person or by proxy is entitled to one vote for each Share held on the record date for the meeting on all matters submitted to a vote of Shareholders. Under Visioneering's Bylaws, the presence at the meeting (in person, by remote communication or represented by proxy) of the holders of a majority of the outstanding shares of stock entitled to vote will constitute a quorum for the transaction of business. Except as otherwise provided by statute or by applicable stock exchange rules, the affirmative vote of the majority of Shares present in person, by remote communication or represented by proxy at the meeting and entitled to vote generally on the subject matter will be the act of the shareholders. Directors will be elected by a plurality of the votes of the Shares (present in person, by remote communication or represented by proxy at the meeting) and entitled to vote on the election of Directors.
16 Transactions requiring Shareholder approval	The types of transactions that require Shareholder approval are governed by Delaware law and Visioneering's Certificate of Incorporation and Bylaws. Generally speaking, the following types of transactions will require Shareholder approval by a majority of votes: • amending the Certificate of Incorporation; and • fundamental corporate changes such as a merger or acquisition, the sale of all or substantially all of Visioneering's assets, or the dissolution of Visioneering. Under Visioneering's Certificate of Incorporation and Bylaws, the removal of Directors or the amendment of either the Bylaws or certain articles of the Certificate of Incorporation requires the affirmative vote of the holders of at least 66⅔% of the shares entitled to vote on such matters.

11. CDIs, Shares and other corporate information

Rights of holders of shares in Visioneering

Relationship between the Company and its Shareholders

17 Relief from oppression	Unlike the Corporations Act, there are no statutory provisions under Delaware law allowing a Shareholder to bring an action in cases of conduct which is either contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Shareholders in their capacity as Shareholder, or themselves in a capacity other than as a Shareholder. However, judicial remedies may be available to Shareholders in comparable circumstances.
18 Derivative actions	Under Delaware law, a Shareholder may bring a derivative action on behalf of the Company where those in control of the Company have failed to assert a claim belonging to the Company. A Shareholder must meet certain eligibility and standing requirements, including a requirement that the plaintiff has been a Shareholder of the Company at the time of the act of which the plaintiff complains and a requirement that the plaintiff maintain his or her status as a Shareholder throughout the course of the litigation. A derivative plaintiff must also have made a demand on the Directors of Visioneering to assert the corporate claim, unless such a demand would have been futile.
19 Forum selection	Visioneering's Certificate of Incorporation provides that unless Visioneering consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: • any derivative action or proceeding brought on Visioneering's behalf; • any action asserting a claim of breach of a fiduciary duty owed by any of the Directors, officers or other employees of Visioneering or the Shareholders; • any action asserting a claim against Visioneering arising pursuant to any provision of the Delaware General Corporation Law, the Bylaws or the Certificate of Incorporation; and • any action asserting a claim against Visioneering governed by the internal affairs doctrine in the US. Any person or entity purchasing or otherwise acquiring any interest in shares of Visioneering's capital stock (including holders of CDIs) will be deemed to have notice of, and consented to, this provision.

Rights of holders of shares in Visioneering

Takeovers

20 Takeovers

Visioneering 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. The acquisition of securities in Visioneering is subject to Delaware law and applicable US securities laws. The ASX usually requires a foreign entity admitted to the Official List of the ASX to undertake to give information to the ASX (for release to the market) about the ownership of its securities. The usual undertakings are to tell the market:

- immediately the entity becomes aware of any person becoming a substantial holder within the meaning of section 671B of the Corporations Act, and to disclose any details of the substantial holding of which the entity is aware; and
- of subsequent changes in the substantial holdings of which the entity becomes aware.

As a Delaware company, Visioneering is subject to section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware company from engaging in any business combinations with any shareholder who owns, or at any time in the last three years owned, 15% or more of the company's outstanding voting stock, referred to as an interested shareholder, for a period of three years following the date on which the shareholder became an interested shareholder, subject to certain exceptions.

In addition, under Delaware law, the Board will have the ability to implement a broader range of takeover defence mechanisms than what is currently permitted under Australian takeovers legislation and policy. The availability of these mechanisms may be regarded as a potential disadvantage to the extent that they enable management to discourage or defeat a takeover bid which Shareholders would otherwise like to consider. However, such actions may also advantage Shareholders by providing protections against a takeover that is not in the short or long term interests of the Company. Defensive mechanisms could include, amongst other things: (i) adoption of a Shareholders rights plan (or so-called 'poison pill') and (ii) issuance of stock (including preferred stock having disproportionate or blocking voting rights) to friendly hands.

While the Board will have substantial discretion to implement such provisions, its exercise of that discretion must comply with its fiduciary duties of loyalty and care. Under Delaware case law, in any litigation by Shareholders challenging the adoption of 'defensive' provisions such as those described above, the Board will have the initial burden of demonstrating that it had reasonable grounds for believing that a threat to corporate policy and effectiveness existed and that the action taken was reasonable in relation to the threat posed.

11. CDIs, Shares and other corporate information

Rights of holders of shares in Visioneering

Winding up

21 Winding up

Under Delaware law, the Board can decide whether it is advisable to dissolve the Company, or sell any or all of its assets, and submit a resolution to approve dissolution or a sale of all or substantially all assets for Shareholder approval.

A majority of the shares outstanding must approve such resolution for it to be adopted. Dissolution may also be authorised without Director action if all the Shareholders entitled to vote consent in writing and a certificate of dissolution is filed with the Secretary of State of Delaware.

In the event of Visioneering's liquidation or dissolution, holders of common stock are entitled to share in all assets remaining after payment of all debts and other liabilities, subject to the prior rights of the outstanding preferred stock, if any. Holders of Visioneering's common stock have no pre-emptive, subscription, redemption or conversion rights.

Other

22 'Two strikes' rule

Unlike the Corporations Act, there is no requirement under Delaware law for the Company to hold a 'spill vote' of the Board if the Company's remuneration report receives a 25% (or greater) 'no' vote at two successive annual meetings.

In the US, the *Dodd–Frank Wall Street Reform and Consumer Protection Act* of 2010 (US) requires all 'reporting companies' to have an advisory shareholder vote on pay at least once every three years. Companies must report the results and say how they have responded to these when making decisions on pay the following year. Visioneering will become a reporting company if, among other things, it has (i) assets of more than US$10 million and (ii) either 2,000 or more holders of record of any class of equity securities or 500 or more holders of record of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the US Securities Act.

If Visioneering qualifies as an 'emerging growth company' at the time it becomes a reporting company, then it will not be required to hold an advisory shareholder vote on pay until it is no longer an emerging growth company. Visioneering will be an emerging growth company until the earliest of: (i) the end of the fiscal year in which its annual revenues exceed US$1 billion; (ii) the end of the fiscal year in which the fifth anniversary of its initial public offering pursuant to an effective registration statement under the US Securities Act occurs; (iii) the date on which it has, during the previous three-year period, issued more than US$1 billion in non-convertible debt; or (iv) the date on which it qualifies as a 'large accelerated filer' as defined in Rule 12b-2 of Regulation 12B of the US Exchange Act.

11.7 Rights of Existing Holders

11.7.1 Introduction

The Company has entered into an amendment of a Registration Rights Agreement with certain of its current Shareholders, under which the termination of various other rights, covenants and restrictions will occur immediately prior to allotment. Under the Registration Rights Agreement, the Shareholder parties (the **Holders**) will be entitled to customary demand, Form S-3 and piggyback registration rights in the United States with respect to their Shares (the **Registrable Securities**), as described in more detail below. In addition, the Holders and Visioneering have agreed to negotiate in good faith for Visioneering to provide the Holders with analogous rights to participate in, and to resell their Registrable Securities in the event of a public offering of securities made outside of the United States, however this will not apply in connection with the Offer.

Following the Offer, approximately 58,000,000 Shares will have registration rights under the Registration Rights Agreement. Visioneering will pay all expenses (other than certain selling expenses) incurred in connection with registrations, filings, or qualifications pursuant to the registrations rights described below. The registration rights will expire on the date that is seven years after the closing of an initial public offering in the United States (**US IPO**) that satisfies certain requirements or at such time as the Holders can sell all of their Registrable Securities without restriction under US Securities and Exchange Commission Rule 144 within any 90-day period.

11.7.2 Demand registration rights

At any time after the earlier of (a) 31 December 2018 or (b) the effective date of the registration statement for a US IPO, the Holders of (i) two-thirds of the Registrable Securities then outstanding in the case of (a), and (ii) one-third of the Registrable Securities then outstanding in the case of (b), may require that Visioneering file, within 60 days of receiving a request, a Form S-1 registration statement under the US Securities Act to register all of the Registrable Securities that the initiating Holders requested and any other Registrable Securities requested to be included by other Holders. Such rights are subject to certain limitations, including that Visioneering is not obligated to effect more than two such Form S-1 registrations. If the Holders requesting registration intend to distribute their Registrable Securities by means of an underwriting, the underwriters of such offering will have the right to limit the number of Registrable Securities to be underwritten for reasons related to marketing factors.

11.7.3 Form S-3 registration rights

If Visioneering is eligible to file a Form S-3 registration statement, the Holders of 25% of Registrable Securities then outstanding may require Visioneering to file, within 45 days of receiving a request, a Form S-3 registration statement under the US Securities Act with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price of at least US$500,000. Visioneering must then file a Form S-3 to register all of the Registrable Securities that the initiating Holders requested and any other Registrable Securities requested to be included by other Holders. Such rights are subject to certain limitations, including that Visioneering is not obligated to effect more than two such Form S-3 registrations.

11.7.4 Piggyback registration rights

If Visioneering proposes to register any of its securities under the US Securities Act in connection with the public offering of such securities solely for cash (other than certain excluded registrations), either for its own account or for the account of other securityholders, the Holders of Registrable Securities will be entitled to certain 'piggyback' registration rights. Such rights are subject to certain limitations including but not limited to Visioneering's right to terminate or withdraw any registration initiated by it. Subject to those limitations and certain other exceptions, this means that whenever Visioneering proposes to file a registration statement under the US Securities Act, the Holders of Registrable Securities are entitled to notice of the registration and have the right to include their Registrable Securities in such registration. In connection with any public offering that involves an underwriting of Shares, Visioneering will be required to include in the offering only that number of securities, including Registrable Securities, which the underwriters and Visioneering determine will not jeopardise the success of the offering, subject to certain limitations.

12.

Additional information

12. Additional information

12.1 Resale restrictions, US Securities Act and Regulation S

12.1.1 Introduction

The Offer is being made available to investors in reliance on the exemption from registration contained in Regulation S (relating to offshore offerings) of the US Securities Act. Accordingly, the CDIs to be issued under the Offer have not been, and will not be, registered under the US 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 which are issued under the Offer will be 'restricted securities' under Rule 144 of the US Securities Act. This means that you will not be permitted to sell the CDIs issued to you under the Offer into the US or to a US Person for a period of at least 12 months from the Allotment Date, unless the resale of the CDIs is registered under the US Securities Act or an exemption is available. Accordingly, the market for CDIs is likely to be limited to the ASX, and if the market outside of the US does not develop or is illiquid, purchasers of CDIs will be unable to sell the CDIs into the market within the US due to the restrictions on the transfer of CDIs.

To enforce the above restrictions, Visioneering has requested that all CDIs issued under the Offer bear a 'FOR US' designation on the ASX. This designation is intended to automatically prevent any CDIs from being sold on the ASX to US Persons. However, you will still be able to freely transfer your CDIs on the ASX to any person other than a US Person.

12.1.2 Regulation S and No Action Letter

An offer or sale of securities made in accordance with Regulation S will not be subject to US registration requirements. The requirements of Regulation S, as modified by the 7 January 2000 No Action Letter issued by the SEC to provide technical relief from CHESS compliance, are as follows:

- offshore transaction: no offers or sales of securities may be made to US Persons;
- no directed selling efforts: Visioneering or the Lead Manager must not engage in activities such as publishing or advertising in the US which could have the effect of conditioning the market;
- offering restrictions: the Lead Manager must agree in writing to a range of restrictions to ensure compliance with Regulation S;
- distribution compliance period: offers and sales may not be made to US Persons or for the account or benefit of US Persons for one year after the Offer; and
- compliance with No Action Letter: Visioneering and brokers must comply with obligations imposed under the No Action Letter, including:
  - restricting the ability for brokers to execute a transaction involving US Persons;
  - including restrictive legends on any certificated Shares issued to Shareholders;
  - identify the Shares and CDIs as restricted securities;
  - sending confirmations to purchasers of Shares that their Shares are subject to Regulation S; and
  - restricting the ability to transfer Shares that are not in compliance with Regulation S.

12. Additional information

12.1.3 Applicant representations regarding non-US status

As required by Regulation S and the No Action Letter, each Applicant will be deemed to have represented and agreed as follows:

- the Applicant is not a US Person and is not acting for the account or benefit of a US Person;
- the Applicant understands and agrees that, if in the future it decides to resell, pledge or otherwise transfer any CDIs (or underlying Shares), it will do so only:
  - outside the US in an offshore transaction in compliance with Rule 903 or Rule 904 under the US Securities Act;
  - pursuant to an effective registration statement under the US Securities Act; or
  - pursuant to an available exemption from the registration requirements of the US Securities Act, and in each case in accordance with all applicable securities laws;
- the Applicant agrees not to engage in hedging transactions with regard to CDIs (or underlying Shares) unless in compliance with the US Securities Act; and
- the Applicant acknowledges that Visioneering, the Lead Manager and others will rely upon the truth and accuracy of these acknowledgements, representations and agreements, and agree that if any such acknowledgements, representations or warranties deemed to have been made by virtue of its purchase of CDIs are no longer accurate, it must promptly notify Visioneering and the Lead Manager.

12.1.4 Purchaser representations of CDIs in the secondary market

The No Action Letter requires that purchasers of CDIs in the secondary market make similar certifications and agreements to the ones that Applicants make in the Offer regarding their status as non-US Persons.

12.1.5 Requirements of the ASX and CUSIP Global Services

The No Action Letter requires that the ASX and entities like CUSIP Global Services take certain actions in order to comply with the provisions of the No Action Letter:

- The trading symbol that identifies particular securities on the ASX trading screens and elsewhere must be modified by adding a common identifier to indicate that the Regulation S securities are restricted. Accordingly, the CDIs issued under the Offer will be classified as FOR securities under the ASX Settlement Operating Rules, and will be identified on trading screens as being on the FOR list. For this purpose, 'Foreign Person' will be defined as a 'US Person', and the permitted foreign ownership level will be zero. As a result, no US Person may apply for CDIs under the Offer. If you have a CHESS Holder Identification Number designated as 'Foreign', you may not subscribe for CDIs under the Offer. If for any reason CDIs are purchased by a US Person, the CDIs will be divested under the ASX Settlement Operating Rules.
- The ASX will publish widely an explanation of the restricted stock identifier beginning a reasonable period prior to the initial quotation of the CDIs and continually thereafter.
- The CDIs will be identified in the records maintained by entities such as CUSIP Global Services, as restricted under the US Securities Act, so that participants in book entry clearance facilities and others that trade the CDIs will have notice that transfers of the CDIs to US purchasers are restricted and must qualify under an appropriate exemption.
- US entities may not participate in the ASX market, either as brokers or as market-makers.
- No ASX trading screens may be placed in the US.
- Whilst the ASX and ASX Settlement will maintain these procedures and systems, neither the ASX nor ASX Settlement is responsible for monitoring compliance with SEC requirements or US law, nor is the ASX or ASX Settlement responsible to third parties for any misfeasance by Visioneering in relation to those procedures. If Visioneering breaches US law, neither the ASX nor ASX Settlement is responsible for those breaches.

12.1.6 Requirements of the Lead Manager and ASX Participants

The No Action Letter requires that the Lead Manager and ASX Participants take certain actions in order to comply with the provisions of the No Action Letter:

- whether in the Offer or in secondary trading, neither the Lead Manager nor any other ASX Participants may execute a transaction on the ASX in Regulation S securities if that broker knows that the purchaser is a US Person or is acting for the account or benefit of a US Person;
- in connection with any purchase of CDIs, whether in the Offer or in secondary trading, the Lead Manager and any other ASX Participants must make all reasonable efforts to ascertain whether a purchaser is a US Person or is acting for the account or benefit of a US Person, and implement measures designed to assure reasonable compliance with this requirement;
- the confirmation sent to each Applicant in the Offer and each purchaser of CDIs in the secondary market trading will include a notice that the CDIs are subject to the restrictions of Regulation S; and
- any information provided by the Lead Manager to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the US Securities Act and are subject to restrictions under Regulation S.

12.1.7 Requirements of Visioneering

Visioneering is also required to take the following actions:

- Visioneering undertakes to provide notification of the Regulation S status of its CDIs in Shareholders communications such as annual reports, periodic interim reports, and notices of Shareholder meetings; and
- during the distribution compliance period, Visioneering undertakes that any information provided by Visioneering to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the US Securities Act and is subject to restrictions under Regulation S.

In addition, the Bylaws provide that the Board may refuse to register any transfer of CDIs (or the underlying Shares) that would result in a contravention of or failure of any applicable law or the Listing Rules. This would include any transfer not made:

- in accordance with the provisions of Regulation S (Rule 901 through Rule 905, and preliminary notes);
- pursuant to registration under the US Securities Act; or
- pursuant to an available exemption from registration.

12.1.8 Legending requirements

Global securities, certificates into which global securities may be subdivided and any physical certificate representing the Shares into which CDIs have been converted prior to the end of the restriction period must bear certain restrictive legends required under Regulation S and certain other pertinent provisions of the US Securities Act and the regulations promulgated under the US Securities Act. No Shares bearing the required restrictive legend may be transferred by the Registry or other transfer agent without a favourable opinion or counsel or the assurance that the transfer complies fully with the US Securities Act.

12.2 US periodic reporting requirements

Under applicable federal securities laws in the US, even if Visioneering's securities are not traded on a US securities exchange, Visioneering may be required to:

- file a Form 10 with the SEC; and
- become subject to regulation under the US Exchange Act, including filing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K.

Visioneering will be required to do so when it meets the thresholds of having (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. Although the first threshold will be satisfied immediately following the Offer, Visioneering can give no assurance as to the time the second threshold will be satisfied, and therefore the time that it will be subject to the US periodic reporting requirements set out above. Further, any ongoing US reporting requirements may be subject to legislative change from time to time.

Visioneering's US periodic reporting requirements will be in addition to its periodic disclosure requirements under the Listing Rules, unless appropriate waivers can be obtained from the ASX.

12.3 Certificate of Incorporation and Bylaws

A summary of the rights attaching to Shares and the key provisions of Visioneering's Certificate of Incorporation and Bylaws is set out in Section 11.6.

12.4 Underwriting Agreement

The Offer is being underwritten and managed by the Lead Manager pursuant to the Underwriting Agreement.

Visioneering and the Lead Manager signed the Underwriting Agreement on 16 February 2017. Under the Underwriting Agreement, the Company appointed the Lead Manager as the underwriter and lead manager of the Offer. The following is a summary of the principal provisions of the Underwriting Agreement.

12.4.1 Fees

Visioneering has agreed to pay the Lead Manager:

- any unpaid fees (and expenses to be reimbursed) owed to the Lead Manager pursuant to the terms of the current retainer agreement between Visioneering and the Lead Manager – see section 6.5.9;
- a management fee of 0.9% of the gross proceeds of the Offer; and
- a capital raising fee of 4.6% of the gross proceeds of the Offer.

The above fees will become payable by the Company on the Allotment Date. Visioneering may also, in its sole discretion, determine to pay the Lead Manager a performance fee of 0.5% of the gross proceeds of the Offer on the Allotment Date.

Visioneering must reimburse the Lead Manager for reasonable expenses in relation to the Offer, including legal costs up to a maximum of A$50,000 (unless otherwise approved by Visioneering in writing in advance).

12.4.2 Representations, warranties and undertakings

Visioneering gives various representations, warranties and undertakings to the Lead Manager, including that the documents approved by or on behalf of the Company in connection with the Offer comply with all applicable laws.

Subject to certain exceptions, Visioneering has agreed that it will not, without the Lead Manager's prior written consent, issue, agree to issue or announce any issues of equity securities (or any securities convertible into or exchangeable for equity securities) at any time commencing on the date of the Underwriting Agreement and ending 180 days after the Allotment Date.

12.4.3 Indemnity

Visioneering agrees to indemnify the Lead Manager and its officers, employees and advisers against all liabilities, losses, damages, costs or expenses (including reasonable legal costs on a full indemnity basis) incurred or suffered by them in connection with the Underwriting Agreement or the Offer.

12.4.4 Termination events

The Lead Manager may, at any time on or before the Allotment Date, by notice to Visioneering and without cost or liability to itself, terminate the Underwriting Agreement upon the occurrence of a number of customary termination events, including (among others):

- a misleading or deceptive statement in the Prospectus;
- a supplementary Prospectus must be lodged with ASIC;
- the Prospectus or other offer materials do not comply with applicable law;
- a breach of applicable laws;
- alteration in the share capital or by-laws and charter of the Company without consent;
- an order or action by ASIC in relation to the Prospectus or the Offer;
- withdrawal of a consent given with respect to the Prospectus;
- ASX withdraws, qualifies or withholds any approval;
- notification of a deficiency in the Prospectus by a prescribed person;
- a delay of more than 2 business days without consent;
- withdrawal of the Offer by the Company;
- failure to give certificates required under the Underwriting Agreement;
- a representation or warranty given by the Company being untrue in any material respect or any statements in a certificate given under the Underwriting Agreement being untrue or inaccurate;
- breach of a material obligation under the Underwriting Agreement;
- certain information provided to the Lead Manager being misleading or deceptive;
- a change of law which restricts or prohibits the Offer;
- insolvency of the Company;
- a change in the board directors or senior management of the Company;
- a material contract of the Company being breached, terminated, or varied without the Lead Manager's consent, or being found void or voidable;
- a material adverse change in the Company's assets or liabilities, financial position, profits and losses, or prospects;
- an investigation or proceeding in relation to the Company by a governmental authority;
- a specified fall in the ASX All Ordinaries Price Index; or
- breakout of hostilities in prescribed regions.

Certain of these events will only give rise to a right to terminate if the Lead Manager has reasonable grounds to believe that the event will or is likely to give rise to a liability of the Lead Manager, or will or is likely to give rise to the Lead Manager contravening, or being considered to be in contravention of any law, has or is likely to have a material adverse effect on the marketing, settlement or outcome of the Offer or of the likely trading price, or if it results or is likely to result in a material change in the financial position, performance or prospects of the Company.

If the Lead Manager terminates the Underwriting Agreement, it will have no obligations to subscribe for CDIs under the Offer and the Company will not be obliged to pay the Underwriting Fees, unless at the time of termination the Offer has been withdrawn by the Company, certain termination events have occurred, a condition precedent is not satisfied or waived, or the Offer is not completed because certain prescribed events within the Company's control have occurred (eg. an alternative financing).

12.5 Pegavision Supply Agreement

Visioneering is party to a Supply Agreement with Pegavision dated 1 July 2016. Under the Supply Agreement, Pegavision agrees to manufacture and supply certain contact lens products to the Company, and the Company agrees that Pegavision will be its sole supplier for these products.

If Pegavision reasonably believes that it will be unable to supply Visioneering with its product requirements, Pegavision must communicate that to Visioneering as soon as reasonably practicable. The parties must then promptly meet to discuss how any shortfall will be managed and must use commercially reasonable efforts to resolve any anticipated supply disruption or shortfall.

The initial term of the Supply Agreement was 180 days, however the agreement automatically renews thereafter on a month-to-month basis until either party provides at least one month's written notice of non-renewal. The Company also has the right to terminate the Supply Agreement with 30 days' written notice if Pegavision is unable to supply any products ordered by the Company.

12.6 Related party transactions

12.6.1 Current and proposed transactions

There are no existing agreements or arrangements and there are no currently proposed transactions in which Visioneering was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest, except as set out in this Prospectus (including the compensation arrangements with the Directors described in Section 6.5). In addition, certain Shares held by funds affiliated with Mr Schwarzer will be subject to the registration rights described in Section 11.7.

12.6.2 Policy for approval of future related party transactions

The Audit and Risk Committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which parties related to Visioneering, including its executive officers, Directors and certain other persons whom the Board determines may be considered related parties of Visioneering (for the purposes of Chapter 2E of the Corporations Act), have or will have a material direct or indirect interest.

Certain transactions with related parties will also be subject to Shareholder approval under the Listing Rules.

12.7 Consents to be named and disclaimers of responsibility

Each of the parties referred to below has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in this Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- Canaccord Genuity (Australia) Limited has consented to being named in this Prospectus as the Lead Manager and the underwriter to the Offer in the form and context in which its name appears, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Canaccord Genuity (Australia) Limited;

- Johnson Winter & Slattery has consented to being named in this Prospectus as the Australian legal adviser to Visioneering in the form and context in which its name appears. Johnson Winter & Slattery does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by it other than the summary of the Australian taxation implications in Section 10.1 of this Prospectus and, to the extent relating to Australian law, Section 10.3;
- Thompson Coburn LLP has consented to being named in this Prospectus as the US legal adviser to Visioneering in the form and context in which its name appears. Thompson Coburn LLP does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by it other than the summary of the US taxation implications in Section 10.2 of this Prospectus and, to the extent relating to US law, Section 10.3;
- Seyfarth Shaw LLP has consented to being named in this Prospectus as Visioneering's patent attorney in the form and context in which its name appears, and to the inclusion of its report in Section 9 of this Prospectus in the form and context in which it appears. Seyfarth Shaw LLP does not otherwise make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by it;
- Grant Thornton Audit Pty Ltd has consented to being named in this Prospectus as Visioneering's auditor in the form and context in which its name appears. Grant Thornton Audit Pty Ltd does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by it;
- Grant Thornton Corporate Finance Pty Ltd has consented to being named in this Prospectus as the investigating accountant in the form and context in which its name appears, and to the inclusion of its Independent Limited Assurance Report in the form and context in which it appears, but it does not otherwise make any statement in this Prospectus;
- Computershare Investor Services Pty Limited has consented to being named in this Prospectus as the Registry for Visioneering in the form and context in which its name appears. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as the Registry and being consulted on the conversion of CDIs to Shares (and vice-versa); and
- Brett O'Connor, OD, Jeffrey Cooper, OD, Doug Benoit, OD, Mary Brunner, OD, Justin Kwan, OD, Hal Ostrom, OD, Alan Glazier, OD, and Sal Butera have each consented to the inclusion of their personal case study or quote (including their name) in this Prospectus, in the form and context in which they respectively appear. None of these persons otherwise make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of them.

12.8 Expenses of the Offer

If the Offer proceeds, the total estimated costs in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses are currently estimated to be approximately US$2.3 million or approximately A$3.1 million (excluding GST).

12.9 ASIC relief

ASIC has made a declaration under subsection 741(1)(b) of the Corporations Act modifying subsections 707(3) and 707(4) so that the modified forms of those subsections apply to sale offers, within 12 months of issue, of CDIs issued on conversion of the Convertible Notes, and CDIs issued upon transmutation of Shares issued on conversion of Convertible Notes. The effect of the declaration is that sale offers of such CDIs within 12 months after their issue will not need disclosure under Chapter 6D of the Corporations Act.

12. Additional information

12.10 ASX waivers and confirmations

The ASX has given Visioneering 'in principle' advice that it would be likely to provide the confirmations and waivers described below on receipt of Visioneering' application for admission to the Official List of the ASX:

- a waiver from Listing Rule 1.1, condition 12, to the extent necessary to permit Visioneering to have certain Options on issue with an exercise price of less than A$0.20 per CDI;
- a confirmation that the terms and conditions of the securities of Visioneering are appropriate and equitable for the purposes of Listing Rule 6.1;
- approval of the Class B Common Stock as an additional class of securities in accordance with Listing Rule 6.2;
- a waiver from Listing Rules 6.16, 6.19, 6.21 and 6.22 to the extent necessary to permit Visioneering to continue the 2008 Plan despite it not complying with those Listing Rules and have Options on issue under the 2008 Plan that do not comply with those Listing Rules;
- a waiver from Listing Rule 14.2.1 to the extent necessary to permit Visioneering not to provide in the proxy form for meetings, an option for CDI Holders to vote against:
  - a resolution to elect a Director; or
  - a resolution to appoint an auditor;
- confirmation that Visioneering may accept nominations for the election of Directors in accordance with the timetable set out in the Bylaws for the purposes of Listing Rule 14.3;
- a waiver from Listing Rule 14.4 to the extent necessary to permit Visioneering to permit a Director appointed by the Board to fill a casual vacancy or as an additional Director to hold office beyond the next annual general meeting after that person's appointment if the term of office of the class of Director into which that person has been appointed expires at a later annual general meeting, in accordance with the Company's Bylaws and Certificate of Incorporation;
- a waiver from Listing Rule 10.18 to the extent necessary to permit certain termination benefits to be provided to Mr Tony Sommer upon a change of control, pursuant to the terms of his existing contractual agreement with the Company and the terms of his Options under the 2008 Plan;
- a confirmation that Visioneering may prepare its financial accounts in accordance with US GAAP and only in US dollars; and
- certain determinations with respect to the mandatory ASX escrow requirements for certain Existing Holders.

12.11 Foreign selling restrictions

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the CDIs or the Offer under this Prospectus, or to permit a public offering of CDIs, in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law. It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to their Application.

12.11.1 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

12.11.2 Singapore

This Prospectus and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an Existing Holder of the Company's CDIs, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

12. Additional information

12.11.3 United Kingdom

Neither the information in this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**) has been published or is intended to be published in respect of the CDIs.

This Prospectus is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the CDIs may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together 'relevant persons'). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

12.12 Legal proceedings

As far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Visioneering is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of Visioneering.

12.13 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

12.14 Statement of Directors

The Directors report that after due inquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of Visioneering, other than as disclosed in this Prospectus.

Each Director has authorised and consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent before its lodgement with ASIC.

13.

Glossary and interpretation

13. Glossary and interpretation

13.1 Technical glossary

In this Prospectus, the following terms and abbreviations have the following meanings, unless the context otherwise requires. See also Appendix B, which contains a summary of the refractive conditions described in this Prospectus.

Astigmatism	A refractive condition where the eye produces multiple focal points either in front of, or behind the Retina, or both in front of and behind the Retina usually caused by an irregularly shaped Cornea.
Atropine	Atropine is a medication used to treat certain types of nerve agent and pesticide poisonings, some types of slow heart rate, and to decrease saliva produced during surgery.
Cornea	The clear front surface of the eye, which bends light that enters the eye.
Crystalline Lens	The lens which lies just behind the Cornea, which further bends light and, in a properly functioning eye, focuses it onto the Retina.
Hyperopia	A refractive condition where the light rays converge behind the Retina due to the eyeball being too short relative to the focusing power of the Cornea and Crystalline Lens, also known as farsightedness.
Kamra Corneal Inlay	An inlay that is surgically implanted into the Cornea to create a pinhole camera effect.
LASIK	Refractive surgery that employs a laser to permanently remove some of the Cornea to correct nearsightedness, farsightedness and Astigmatism.
Monovision LASIK	A procedure where one eye is surgically corrected for distance vision and one eye is surgically corrected for near vision.
Multifocal or Bifocal lenses or eyeglasses	Contact lenses or eyeglasses containing prescriptions for simultaneously correcting nearsightedness or farsightedness due to eye length and Presbyopia.
Multifocal Toric contact lenses	A type of Multifocal contact lens with the most optically complex design combining the optics of Multifocal lens and Toric lens into a single lens.
Myopia	A refractive condition where the light rays converge in front of the Retina due to the eyeball being too elongated relative to the focusing power of the Cornea and Crystalline Lens of the eye, also known as nearsightedness.
Myopia Progression	The worsening of Myopia throughout childhood and adolescence.
Myopic	A person with Myopia.
Orthokeratology or Ortho-K	A hard contact lens designed to be installed in the child's eye before bedtime in order to temporarily reshape the front surface of the eye overnight, typically to treat Myopia.
Peripheral Hyperopia	A refractive condition where peripheral light rays converge behind the peripheral Retina, signalling the eye to grow in length.
PMET	Visioneering's Pre-Market Evaluation Trial, described in Section 3.3.3.
Presbyopes	People with Presbyopia.
Presbyopia	The progressive loss of the ability to see things that are near due to age, predominately arising from a stiffening and weakening of the Crystalline Lens.
Presbyopic	A person with Presbyopia.

Retina	The back surface of the eye.
Rigid Gas Permeable	Hard form contact lenses that are used to correct vision in patients who suffer from a variety of vision disorders.
Spherical contact lenses, or Spheres	Optically simple contact lenses containing a single plus or minus prescription throughout the lens for either nearsightedness correction or for farsightedness correction.
Toric contact lens	Contact lenses used to correct vision in patients with Astigmatism.

13.2 General glossary

In this Prospectus, the following terms and abbreviations have the following meanings, unless the context otherwise requires:

2008 Plan	The 2008 Stock Incentive Plan described in Section 6.6.3.
2017 Plan	The Equity Incentive Plan described in Section 6.6.1.
401(k) Plan	The Company's contribution retirement savings plan under section 401(k) of the US Internal Revenue Code.
510(k) Clearance	Clearance by the FDA of a medical device under section 510(k) of the *Food, Drug and Cosmetic Act* of 1938 (US).
A$ or Australian dollar	The lawful currency of Australia.
Active Account	Customer accounts which placed a purchase order during the previous quarter (i.e. Q1, Q2, Q3 or Q4, as the case may be).
AIFRS	Australian equivalent of the International Financial Reporting Standards.
Allotment Date	The date on which CDIs are allotted under the Offer, currently expected to be 22 March 2017.
Applicant	A person who submits a valid Application.
Application	An application to subscribe for CDIs under this Prospectus which is made on an Application Form and accompanied by the relevant Application Monies.
Application Form	An application form attached to or accompanying this Prospectus (including any online Application Form).
Application Monies	The aggregate amount of money payable by an Applicant for CDIs applied for under the Offer.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
ASX Corporate Governance Principles	The *Corporate Governance Principles And Recommendations* of the ASX Corporate Governance Council as at the date of this Prospectus.
ASX Participant	A 'Participant' within the meaning of the ASX Settlement Operating Rules.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement.
Australian Notes	The Convertible Notes denominated in Australian dollars described in Section 11.3.
Awards	The awards under the 2017 Plan described in Section 6.6.1.
BPAY®	The electronic payment facility by that name.

13. Glossary and interpretation

Board or Board of Directors	The board of Directors of Visioneering.
Broker Firm Offer	The invitation to Retail Investors in Australia who have received a firm allocation from their broker to acquire CDIs under this Prospectus.
Bylaws	The Company's amended and restated bylaws which will be adopted by Visioneering with effect from the Allotment Date.
CDI Holder	A holder of CDIs.
CDI or CHESS Depositary Interest	A unit of beneficial ownership of Shares, the rights of which are summarised in Section 11.5.
CDN	CHESS Depositary Nominees Pty Limited (ACN 071 346 506 and Australian Financial Services Licence Number: 254514).
CE Marking	The Conformité Européenne Marking, being the approval to sell medical devices in the European Union that comply with the requirements of the applicable European Union directives.
CEO	Chief Executive Officer.
Certificate of Incorporation	The Company's ninth amended and restated certificate of incorporation which will be adopted with effect on the Allotment Date.
CFO	Chief Financial Officer.
CGT	Capital Gains Tax.
Chairman	The Chairman of the Board.
CHESS	Clearing House Electronic Subregister System.
Closing Date	The date on which the Offer closes, currently expected to be 5.00pm (Sydney time) on 16 March 2017.
Code	*Internal Revenue Code* of 1986 (US), as amended to date.
Convertible Notes	Convertible promissory notes issued by Visioneering and described in Section 11.3.
COO	Chief Operating Officer.
Corporations Act	*Corporations Act 2001* (Cth).
CUSIP Global Services	The body that administers the CUSIP and CUSIP International Numbering Systems for identifying investment instruments.
Delaware General Corporation Law	Chapter 1 of Title 8 of the Delaware Code, which governs corporations incorporated in the US State of Delaware.
Director	A director of Visioneering.
DvP Settlement	Has the meaning given in the ASX Settlement Operating Rules and is the process by which CHESS provides electronic securities transfer and electronic delivery versus payment settlement with monetary obligations between Participants being met directly between Participants and the funds transfer system of the banks.
Existing Holder	A person holding Shares or other securities in Visioneering immediately prior to the date of this Prospectus.
Exposure Period	The period between the Original Prospectus Date and seven days after that date, or such later date (not exceeding 14 days after the Original Prospectus Date) as ASIC may require.

FAAO	Fellow of the American Academy of Optometry.
FATCA	*Foreign Account Tax Compliance Act* of 2010 (US), as amended to date.
FDA	The US Food and Drug Administration.
FIAO	Fellow of the International Orthokeratology Academy.
FOR	Foreign Ownership Restriction.
FY2014, FY2015 and FY2016	The years ended 31 December 2014, 31 December 2015 and 31 December 2016, respectively.
General Public Offer	The invitation to Retail Investors in Australia to acquire CDIs under this Prospectus.
GST	Goods and Services Tax.
Historical Financial Information	The following financial information in relation to Visioneering: • summary historical statement of operations for FY2014, FY2015 and FY2016; • summary historical statement of cash flows for FY2014, FY2015 and FY2016; and • historical and pro forma balance sheets as at 30 December 2016 and the associated details of the pro forma adjustments.
Independent Limited Assurance Report	The report set out in Section 8.
Indicative Exchange Rate	A$1.00 = US$0.75, being the exchange rate relied upon when preparing this Prospectus.
Institutional Investor	An investor to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which Visioneering is willing to comply with), including in Australia, persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA).
Institutional Offer	The invitation to certain Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom to acquire CDIs under this Prospectus.
IRS	The United States Internal Revenue Service.
Key Managers	The CEO and senior management team of Visioneering.
KOL	Key opinion leader.
Lead Manager	Canaccord Genuity (Australia) Limited (ABN 19 075 071 466).
Listing	Acceptance on the Official List.
Listing Rules	The official listing rules of the ASX, as amended from time to time.
MDD	Medical Device Directive (Europe), containing laws relating to medical devices within the European Union.
Medicaid	A joint federal and state program in the United States that helps with medical costs for some people with limited income and resources.
Medicare	The United States federal health insurance program for people including those who are 65 or older and certain younger people with disabilities.

13. Glossary and interpretation

No Action Letter	The no action letter from the SEC dated 7 January 2000 to provide technical relief from CHESS compliance.
Non-executive Director	A Director who is not a Key Manager.
OD	Doctor of Optometry.
OEM	Original equipment manufacturer.
Offer	The Broker Firm Offer, General Public Offer and Institutional Offer.
Offer Period	The period from the Opening Date to the Closing Date (inclusive).
Offer Price	A$0.42 per CDI (equivalent to A$0.42 per Share), being the amount payable in respect of each CDI under this Prospectus.
Official List	The official list of entities that the ASX has admitted and not removed from listing on the ASX.
Opening Date	The date on which the Offer opens, currently expected to be 9.00am (Sydney time) on 2 March 2017.
Option	An option to acquire Shares. In this Prospectus, references to a particular number of Options are references to Options to acquire that number of Shares.
Original Prospectus	The prospectus dated 16 February 2017 and lodged with ASIC on that date, which this Prospectus replaces.
Original Prospectus Date	The date on which the Original Prospectus was lodged with ASIC, being 16 February 2017.
Pegavision	Pegavision Corporation.
Prospectus	This document, dated 24 February 2017 for the issue of 79,365,079 CDIs, including both hard copy and electronic versions, and any supplementary or replacement document.
Q1, Q2, Q3 and Q4	The first, second, third and fourth three-month period in a given year.
R&D	Research and development.
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other person that Visioneering appoints to maintain the register of CDIs, and in relation to Shares, includes any of its related bodies corporate responsible for the maintenance of the Share register.
Regulation S	Regulation S promulgated under the US Securities Act.
Restructuring	The restructuring described in Section 11.4.
Retail Investor	An investor who is not an Institutional Investor.
SEC	The US Securities and Exchange Commission.
Section	A section of this Prospectus.
Share	A fully paid share of the Class A common stock of Visioneering with a par value of US$0.001 per share, the terms of which are set out in the Certificate of Incorporation.
Shareholder	A holder of Shares.
Successful Applicant	An applicant who is allotted CDIs under the Offer.
TGA	Therapeutic Goods Administration in Australia.
Trading Day	Has the meaning given in the Listing Rules.
UK	United Kingdom.

Underwriting Agreement	The underwriting agreement dated 16 February 2017 between Visioneering and the Lead Manager under which the Lead Manager has agreed to underwrite the Offer.
US$ or US dollar	The lawful currency of the US.
US Exchange Act	*Securities Exchange Act* of 1934 (US) (as amended to date and the rules and regulations promulgated thereunder).
US GAAP	US Generally Accepted Accounting Principles.
US or United States	The United States of America, its territories and provinces, any state of the United States of America and the District of Columbia.
US Person	Has the meaning given to it in Rule 902(k) under Regulation S of the US Securities Act.
US Securities Act	*Securities Act* of 1933 (US), as amended to date and the rules and regulations promulgated thereunder.
US Treasury Regulations	The regulations promulgated under the Code.
Visioneering or Company	Visioneering Technologies, Inc. a company incorporated in the State of Delaware in the US and registered in Australia as a foreign company (ARBN 616 156 248).

13.3 Interpretation

In this Prospectus, unless the context otherwise requires:

- the singular includes the plural, and vice versa;
- words importing one gender include other genders;
- other parts of speech and grammatical forms of a word or phrase defined in this document have corresponding meanings;
- terms used in this document and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act; and
- other grammatical forms of a word or phrase defined in this document have a corresponding meaning.

Appendix A:

Significant accounting policies

Appendix A: Significant accounting policies

The following is a summary of the significant accounting policies used in the preparation of the Historical Financial Information set out in this Prospectus.

(a) Use of estimates

The preparation of the Historical Financial Information is in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's most significant estimates relate to the valuation of its common stock, options and warrant liabilities and valuation of its inventory at cost.

(b) Cash and cash equivalents

The Company considers all cash deposits and highly liquid investments with original maturities of three months or less to be cash equivalents.

(c) Accounts receivable

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. No allowance was considered necessary at 31 December 2015 and 2016.

(d) Inventory

Inventory is stated at cost, as determined by the first-in first-out method.

(e) Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Betterments and improvements that extend the life of the assets are capitalised. Other maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed, the assets and related allowances for depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the statement of operations. Depreciation is provided over the estimated useful lives of the related assets using straight-line methods of depreciation.

(f) Intangible assets

Intangible assets include costs capitalised during the process to obtain patent rights. The costs are amortised on a straight-line basis over the estimated useful lives once the patents have been issued.

(g) Revenue recognition

The Company recognises when persuasive evidence of an arrangement exists, the goods have been delivered, the sales price is fixed or determinable, and collectability is reasonably assured. These conditions are generally met revenue upon shipment of product to the customer.

Appendix A: Significant accounting policies

(h) Share based payments

The cost of employee services received in exchange for an award of equity instruments is based on the estimated grant-date fair value of those instruments and is recognised as an expense over the service period.

The fair value of each option award is estimated on the date of the grant using the Black-Scholes formula. The Company determines expected volatility based on the historical transactions and valuations of the Company's own stock and other factors including the historical volatility of similar publicly traded companies and industry indices. The expected term of options granted represents the period of time that options are expected to be outstanding. The risk-free interest rate for the period of the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant.

(i) Research and development

Research and development costs are expensed as incurred.

(j) Advertising costs

The Company expenses advertising costs as incurred.

(k) Income taxes

Deferred tax assets and liabilities are recognised for the future tax consequences of differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income in the period that includes the enactment date.

Generally accepted accounting principles require the Company to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognised tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognised tax benefits are classified as additional income taxes in the statement of income. The Company believes that none of the tax positions taken would materially impact the Historical Financial Information and no such liabilities have been recorded.

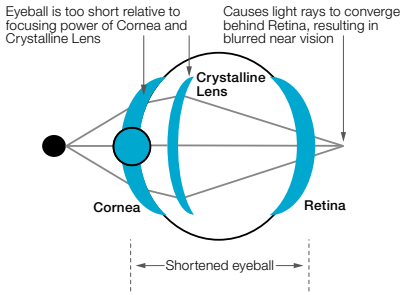
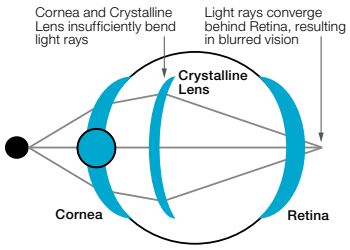
(l) Embedded Conversion, Redemption and Preference Features

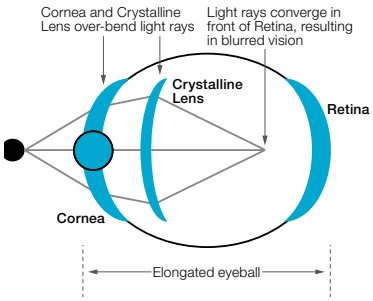
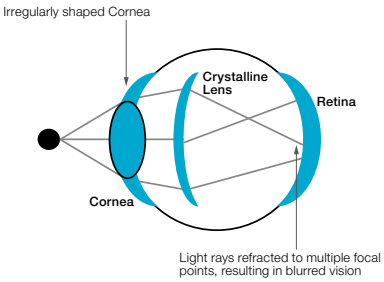
The Company evaluates convertible debt and preferred stock instruments under ASC 480, Distinguishing Liabilities from Equity to determine the appropriate classification of the host instrument. Embedded conversion, redemption and preference features within those instruments are evaluated under ASC 815, Derivatives and Hedging to determine whether the feature should be bifurcated from the host contract and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20, Debt with Conversion and Other Options for consideration of any beneficial conversion features.

Appendix B:

Summary of refractive conditions

Appendix B: Summary of refractive conditions

Condition	Hyperopia	Presbyopia
Also known as:	Farsightedness	Age-related loss of near vision
Difficulty clearly seeing:	Close objects	Close objects
Result of:	Not enough optical refraction relative to the length of the eye	Stiffening and weakening of the Crystalline Lens with age
Light focuses:	Behind the Retina	For close objects: behind the Retina For distant objects: may be behind, on or in front of the Retina
Prescription:	'Plus' powered corrective lens, to increase the angle of the light rays entering the eye	'Relative plus' powered corrective lens For a person who already has Hyperopia or Myopia, Bifocal or Multifocal (progressive) eyeglasses, or Multifocal contact lenses can be prescribed.
Illustrative diagram of uncorrected vision:		
Related conditions:		It is possible to have Presbyopia alone, or combined with any of Hyperopia, Myopia or Astigmatism
Typical timing of presentation:	In early childhood	Around the age of 40, progressively worsening until around age 60

Myopia	Astigmatism
Nearsightedness or shortsightedness	
Distant objects	Close or distant objects
Too much optical refraction relative to length of eye	Eye produces multiple focal points
In front of Retina	In front of or behind Retina
‘Minus’ powered corrective lens, to reduce the angle of the light rays entering the eye	‘Cylindrical’ or ‘Toric’ lenses, to correct the eye’s refraction of incoming light to a single focal point
	
The worsening of Myopia throughout childhood and adolescence is known as **Myopia Progression**. **Peripheral Hyperopia** is different to Hyperopia. It can be a by-product of the current standard of care for treating Myopia, and involves peripheral light rays converging behind the Retina. Peripheral Hyperopia is one of the generally recognised optical risk factors for Myopia Progression	
In early childhood, progressively worsening until around early adulthood	In early childhood

Corporate directory

Board of Directors

Dr Stephen Snowdy, CEO and Executive Director
Mr Fred Schwarzer, Chairman and Non-executive Director
Mr Gary Stevenson, Non-executive Director
Ms Christine Van Heek, Non-executive Director
Ms Zita Peach, Non-executive Director

US office & headquarters

Visioneering Technologies, Inc.
4555 Mansell Road, Suite 300
Alpharetta, Georgia 30022
United States
www.vtivision.com

CDI registry

Computershare Investor Services Pty Limited
GPO Box 2975,
Melbourne, Victoria 3001 Australia
Telephone: 1300 850 505 (within Australia)
or +61 3 9415 4000 (outside Australia)
www.computershare.com

Auditor

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street,
Sydney, New South Wales 2000 Australia
Telephone: +61 2 8297 2400
www.grantthornton.com.au

Australian legal adviser

Johnson Winter & Slattery
Level 25, 20 Bond Street
Sydney, New South Wales 2000 Australia
Telephone: +61 2 8274 9555
www.jws.com.au

Lead Manager

Canaccord Genuity (Australia) Limited
Level 4, 60 Collins Street
Melbourne, Victoria 3000 Australia
Telephone: + 61 3 8688 9100
www.canaccordgenuity.com

Offer Information Line

1300 646 967 (within Australia) or
+61 3 9415 4019 (outside Australia)
between 8.30am and 5.00pm (Sydney time)
Monday to Friday during the Offer Period

Management team

Dr Stephen Snowdy, CEO and Executive Director
Mr Tony Sommer, Jr, Senior Vice President, Sales & Marketing
Dr Sally Dillehay, Chief Medical Officer, Vice President, Clinical and Regulatory Affairs, Corporate Secretary
Ms Rosa Lee, Executive Director of Engineering

Registered address in Australia

c/- Boardworx Australia Pty Limited
Level 9, 115 Pitt Street,
Sydney, New South Wales 2000 Australia

Share registry

Computershare Trust Company, N.A.
250 Royall Street
Canton, Massachusetts 02021
United States of America
www.computershare.com

Investigating accountant

Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street,
Sydney, New South Wales 2000 Australia
Telephone: +61 2 8297 2400
www.grantthornton.com.au

US legal adviser

Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri 63101
United States
Telephone: +1 314 552 6000
www.thompsoncoburn.com

Patent attorney

Seyfarth Shaw LLP
Seaport East, Two Seaport Lane, Suite 300
Boston, Massachusetts 02210-2028
United States
Telephone: +1 617 946 4800
www.seyfarth.com

Offer website

www.vtivisioninvestors.com


REDEFINING
VISION