

ASX Announcement | 10 December 2024
Visioneering Technologies (ASX:VTI)

Visioneering Technologies announces voluntary delisting

Visioneering Technologies, Inc. (ASX:VTI) (**Visioneering Technologies** or the **Company**), has submitted a formal request to the Australian Securities Exchange (**ASX**) to be removed from the official list of the ASX (**Official List**) in accordance with ASX Listing Rule 17.11 (**Delist** or the **Delisting**). This formal request follows the receipt of in-principle approval from the ASX in relation to the proposed Delisting, subject to the satisfaction of the conditions set out below. Following the Delisting, the Company's CDIs would no longer be quoted on the ASX. The Delisting will be put forward for securityholder approval at a Special Meeting of Stockholders to be held on or around 10 January 2025.

The Delisting is considered by the Company's Board (**Board**) to be in the best interests of the Company and its securityholders for a number of reasons, including the low trading price of the Company's CDIs, relatively low levels of trading liquidity and a number of flow on consequences which are set out below. These factors, as well as the costs and administrative burden of remaining listed on ASX, outweigh the benefits associated with remaining listed on the ASX.

Reasons for seeking removal from the Official List

The Board considers that it is in the best interests of the Company and its securityholders for the Company to Delist for the following reasons.

- (a) **Company valuation:** Since the Company's initial public offering (IPO) and listing in March 2017, the Board has observed ongoing fluctuations in the quoted price of the Company's CDIs and noted that the value attributed to a CDI has been largely independent of news flows, even when positive news has been released. This has caused the Board to question whether the market is fairly valuing the Company. Undervaluation means that the placement of significant equity to investors at current market prices may be more dilutive to existing securityholders than if the Company was, in the Board's opinion, more fairly valued. The Board believes that Delisting would allow a more objective and independent appraisal of valuation to take place, without concern for an illiquid public market on ASX (see paragraph (e) below).
- (b) **Capital raising:** The composition of the Company's CDI register combined with low market capitalisation, a low trading price and resulting low liquidity have made it difficult for the Company to seek to raise public capital and attract broader institutional ownership. The Company will need to raise capital shortly and it is likely that it will be required do so prior to the Delisting completing.

If the Company is able to raise further capital whilst it continues to be listed on ASX (either now or in the short to medium term), this may, depending on the amount raised and the terms of the raising, impose a higher dilutionary cost on non-participating securityholders than if the Company was more fairly valued.

The Board considers that raising capital in an unlisted environment in the future may allow it to undertake larger, less dilutive capital raisings.

- (c) **Cost of capital:** The costs for the Company of raising capital through the ASX are higher than the expected costs of raising capital if the Company were to Delist and such capital raising on ASX is more complex, as it often involves financial advisers and both US and Australian lawyers.
- (d) **Strategic opportunities and corporate transactions:** The Board has evaluated strategic opportunities and corporate transactions, including a potential sale of the Company. Whilst the Company has engaged a M&A adviser and has had preliminary discussions with potential acquirers, the Company's low market capitalisation on ASX influences the value ascribed to the Company by potential acquirers. The Company also understands from its largest securityholder, Thorney, that it would be unwilling to sell its holding in the Company based on a valuation reflective of the Company's present market capitalisation – even if a meaningful premium was offered to the current trading price. Accordingly, the Board considers that the Company will have greater flexibility to pursue and execute value enhancing strategic opportunities and corporate transactions as an unlisted company. The Company is continuing to evaluate potential strategic and M&A transactions, and will continue to do so, if and as any opportunity arises, as a private company if the Delisting proceeds.
- (e) **Illiquidity and marketable parcels:** Notwithstanding the Company's ASX listing, trading in the Company's CDIs has been relatively illiquid which has contributed to high volatility in the Company's CDI price. Low liquidity has limited the Company's ability to secure broad institutional ownership and undertake capital markets transactions (as discussed above at paragraph (b)). As at 20 September 2024, 604 securityholders held "unmarketable" holdings parcels of A\$500 or less (representing 66.67% of securityholders), indicating a limited market for trading of the Company's securities.
- (f) **Costs:** The Company believes that the ongoing administrative, compliance and direct costs associated with the Company's ASX listing are disproportionate to the benefits of remaining listed on the ASX. Legal, accounting, insurance, and other expenses incurred in satisfying ASX filing, reporting, and compliance requirements have proven burdensome for the Company. The Company estimates that if it Delists it will save it a minimum of approximately US\$75,000 per month over the next 12 months (US\$900,000 per year).
- (g) **Management time and effort:** A significant portion of the Company's management time is presently being dedicated to time-intensive matters relating to the Company's ASX listing. If the Company proceeds to Delist management's time will be able to be spent on other matters for the benefit of the Company.
- (h) **Employees:** The volatility in the Company's CDI price and (in the Board's opinion) the disconnect between the Company's CDI price and its fair value impacts the Company's ability to attract high-quality employees. If the Company Delists, it is expected to make the Company a more attractive employer for new recruits and promote employee retention, given the impact the trading price and illiquidity can have on an employee's decision to join or remain at the Company and any incentive arrangements.

Key consequences for the Company and its securityholders

Some of the key consequences for the Company and its securityholders if the Company is removed from the Official List of the ASX include:

(a) **Securityholders will no longer have the ability to sell their CDIs and realise their investment in the Company via trading on ASX.**

Following Delisting, the Company's CDIs will no longer be quoted on the ASX and will no longer be traded on the ASX. Securityholders will only be able to sell the converted, underlying shares in off-market private transactions requiring securityholders to identify and agree the terms of sale. Transactions of this kind will be subject to:

- (i) the applicable laws and regulations of the state of Delaware, as well as US federal securities laws and regulations; and
- (ii) the Company's by-laws.

As noted above, following Delisting, the Company's securities will no longer be able to be traded on ASX and it will be more difficult for a securityholder to dispose of their securities. Securityholders will be able to trade their securities on the ASX until the Company's CDIs are suspended (currently expected to be 6 February 2025 if securityholder approval is obtained for the Delisting). If securityholders do not sell their CDIs prior to this date, their CDIs will, following Delisting and the revocation of trust by CHESS Depositary Nominees Pty Limited, automatically be converted into Shares in the Company at a ratio of one Share per CDI in accordance with the steps outlined in the indicative timetable set out below. Thereafter, securityholders wishing to trade their securities will be entitled to transfer their securities off-market to a willing third party purchaser in accordance with the Company's by-laws.

After the Company's CDIs have been converted into Shares, Computershare, as the Company's U.S. share registrar, will despatch a holding statement to the registered address of the former CDI holder, setting out the number of new Shares held registered in their name in book entry form (i.e. uncertificated).

The Company is not currently able to offer a buy-back of CDIs or shares.

(b) **No guarantee of access to capital and 'low-doc' fundraising regime will no longer be available to the Company.**

While the Board believes the Company may have better access to potential capital and on more favourable terms than would otherwise be available if the Company was to remain listed on the ASX, there is no certainty that the Company will in fact obtain better access to capital and/or on more favourable terms post-Delisting.

Once Delisted, the Company will no longer be able to raise capital by an issue of securities through a 'low doc' offer, such as using a 'cleansing notice', under the *Corporations Act 2001* (Cth) (**Corporations Act**). Instead, the main method for the Company to offer its securities for sale moving forward will be via the release of a full form prospectus or through a placement to sophisticated or professional investors.

(c) **Various requirements of the ASX Listing Rules and the Corporations Act will no longer apply.**

Following Delisting, the Company will not be subject to the ASX Listing Rules or certain parts of the Corporations Act. However, the Company will continue to be governed by Delaware General Corporation Law.

In particular, the following ASX Listing Rule requirements will no longer apply:

- continuous disclosure and other periodic reporting requirements;
- disclosure of certain information under the ASX Listing Rules (including changes of capital or information related to directors and the auditor of the Company);
- restrictions on the issue of new capital (such as the inability of the Company to issue in excess of 15% of its capital in any 12-month period without securityholder approval) and certain restrictions on transactions with related parties;
- requirements relating to significant changes to the Company's activities; and
- the requirement to report against the ASX Corporate Governance Principles and Recommendations.

The Company, as a US company, will not be an 'unlisted disclosing entity' under the Corporations Act following the Delisting. This means that the Company will no longer be subject to the continuous disclosure regime under section 675 of the Corporations Act despite continuing to have more than 100 securityholders. Certain provisions of the Corporations Act will however continue to apply to the Company whilst it remains registered as a foreign company in Australia, including maintaining a registered office and a local agent in Australia, and lodging annual financial statements with ASIC. The Company does however, intend to apply to deregister as a foreign company in Australia shortly following Delisting.

Some securityholders may consider that the reduction of obligations associated with an ASX listing is a disadvantage, including, in particular, minority securityholders. While there will be differences in the regulatory regimes pre- and post-Delisting, the Company will continue to be bound by the requirements of Delaware General Corporation Law. The Company also intends to continue providing annual accounts to its securityholders and will provide periodic updates regarding the business to its securityholders.

Stockholder approval will, subject to the Company's certificate of incorporation and by-laws, be required for:

- amendments to the Company's certificate of incorporation;
- the election and removal of directors;
- entry into certain transactions with "interested stockholders" of the Company;
- entry into certain fundamental corporate transactions, including, with certain exceptions, a dissolution, merger, consolidation or sale of all or substantially all the assets of a corporation; and
- adoption of certain anti-takeover measures.

Note that under Delaware law, stockholders may act by written consent signed by stockholders having the minimum number of votes that would be necessary to take such actions at a meeting rather than holding formal stockholder meetings to approve such actions, including actions involving the annual election of directors. The Company intends to seek stockholders' approval to amend the Company's certificate of incorporation to provide for stockholder actions by written consent.

Conditions

ASX's in-principle decision to approve the Delisting is subject to the Company's compliance with the following conditions imposed by ASX under Listing Rule 17.11 and Guidance Note 33:

- (a) the request for the removal of the Company from the Official List of ASX is approved by a special resolution of ordinary securityholders of the Company;
- (b) the Notice of Meeting seeking securityholder approval for the Company's removal from the Official List must include, in form and substance satisfactory to ASX, the following:
 - (i) a timetable of key dates, including the time and date at which the Company will be removed from the Official List if that approval is given;
 - (ii) a statement to the effect that the Company's removal from the Official List is to take place no earlier than one month after approval is granted;
 - (iii) a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the Company is removed from the Official List; and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow securityholders to dispose of their holdings and how they can access those processes;
 - (iv) a statement to the effect that the steps CDI holders must take to convert their CDIs to the underlying securities by a nominated date; and
 - (v) the information prescribed under section 2.11 of ASX Guidance Note 33; and
- (c) the removal of the Company from the Official List must not take place any earlier than one month after security holder approval is obtained so that security holders have at least that period to sell their securities should they wish to do so;
- (d) the Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date; and
- (e) the Company must release full terms of the decision to the market upon making a formal application to ASX to remove the Company from the Official List.

Further details relating to the proposed removal from the Official List will be included in the Notice of Meeting which will be dispatched to the Company's securityholders in due course.

Timetable

The proposed timetable for the satisfaction of conditions and the expected date of removal of the Company from the Official List are as follows:

Event	Indicative date*
Notice of Meeting seeking securityholder approval of the Delisting to be sent to securityholders	On or about 18 December 2024
Special Meeting to be held to approve the Delisting	10 January 2025
Results of Special Meeting announced to ASX	10 January 2025
The Company's CDIs are suspended	6 February 2025
Completion of removal of the Company from the Official List	10 February 2025
CHESS Depositary Nominees Pty Limited (CDN) to revoke the trust under which it holds the shares underlying the CDIs	13-14 February 2025**
CDN to transfer title of shares underlying any remaining CDIs to the former CDI holders	17 February 2025

*Dates and times are indicative only and subject to change by the Company or ASX.

**Subject to director availability of CDN.

The Delisting will not take place any earlier than one month after securityholder approval has been obtained. CDIs may continue to be traded on ASX up until the Company's CDIs are suspended, after which the Delisting will occur two trading days later.

Remedies available

There are no remedies specified under Delaware General Corporation Law that will apply to securityholders that relate to the Delisting.

The consequences of securityholder approval not being received

If securityholder approval to the removal of the Company from the Official List of ASX is not received, unless a subsequent proposed Delisting is approved by securityholders or ASX determines that the Company's securities should no longer be listed, the CDIs will remain listed on ASX.

ENDS

This release was authorised by the Board of Directors.

For more information, please contact:

<i>Company</i>	<i>Investor and media relations</i>
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