ASX Announcement | 23 April 2024
Visioneering Technologies (ASX:VTI)

Visioneering Improves Net Cash Used in Operating Activities in Q1 FY'24

Q1 FY'24 Operational Highlights (unaudited; amounts in U.S. dollars)**:**

- Net Revenue: US$2.2 million (A$3.4 million), down 2% from Q1 FY'23
- Shipments to US ECPs (Eye Care Professionals): a record US$2.3 million (A$3.4 million), up 1% from Q1 FY'23
- Cash receipts from customers: US$2.3 million (A$3.5 million), up 3% from Q1 FY'23
- Net cash used in operating activities: (US$0.4 million) (A$0.6 million), an 18% improvement (i.e., reduction) from Q1 FY'23
- Gross margin: 55.9%, up from 51.2% in Q1 FY'23

Visioneering Technologies, Inc. (ASX: VTI) ('Visioneering', 'VTI' or 'the Company'), producer of the NaturalVue® Multifocal 1 Day Contact Lenses, today announced its unaudited results for the first quarter ended 31 March 2024. The Company's fiscal year coincides with the calendar year. Amounts are presented in U.S. dollars, except as otherwise noted.

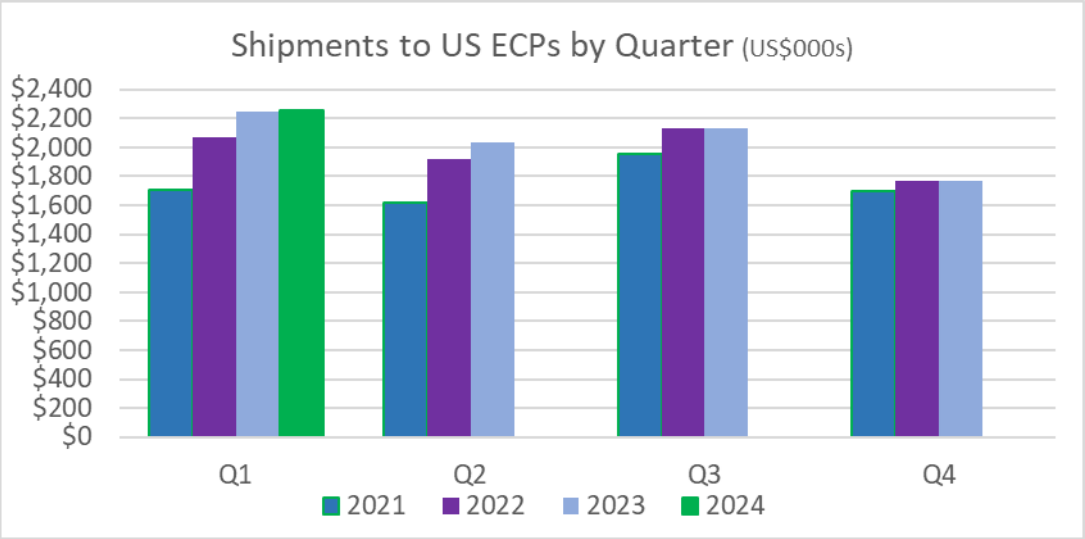
Net revenue for the quarter was US$2.2 million, a decrease of 2% from Q1 FY'23. Shipments to US ECPs were US$2.3 million, up 1% over Q1 last year. Shipments to US ECPs are an internal measure of patient-level demand reflecting sales from the Company's distributors to ECPs in the U.S. at the price VTI supplies those products to its distributors. The performance of Shipments to US ECPs exceeded that of net revenue due to changes in inventory levels at US distributors that lowered net revenue in Q1 FY'24 but increased net revenue in Q1 FY'23.

Table 1: Q1 FY'24 and Q1 FY'23 key metrics

(U.S.$ in 000's, unaudited)	**Q1 FY'24**	**Q1 FY'23**	**Q1 FY'24 vs Q1 FY'23**
Net Revenue (A)	$2,240	$2,288	(2)%
Shipments to US ECPs (B)	$2,257	$2,244	1%
Cash receipts from customers (A)	$2,344	$2,265	3%
Net cash (used in) operating activities	($402)	($492)	(18)%
Gross margin	55.9%	51.2%	n/a
Active US Accounts (C)	2,311	2,276	2%
Shipments to US ECPs per Active US Account	$977	$986	(1)%
Repeat Customer Rate (D)	100.5%	103.6%	n/a

(A) Includes international results.
(B) Shipments to US ECPs represent the gross revenue equivalent of lenses shipped to ECPs located in the U.S., net of fulfillment fees.
(C) Active US Accounts are ECPs located in the U.S. that purchased VTI products during the quarter.
(D) Repeat Customer Rate is the percent of prior quarter Active US Accounts that purchased in the current quarter. A rate in excess of 100% indicates that accounts purchased in the current quarter and in a quarter prior to the previous quarter but not in the previous quarter.

The table below shows Shipments to US ECPs by quarter since 2021. VTI has delivered consistent growth in Shipments to US ECPs on a corresponding quarter basis.



Gross margin was 55.9% in the first quarter, up from 51.2% in the same quarter in the prior year. The improvement was due to lower per unit costs for products sold, and minor price increases implemented at the beginning of FY'24. Gross margin for the quarter was slightly lower than the 57.0% achieved in the second half of FY'23 due to a higher mix of low margin private label sales in the current quarter.

Cash and Cash receipts

Net cash used in operating activities was US$0.4 million in the fourth quarter, an improvement of 18% compared with net cash used of US$0.5 million in the fourth quarter last year. The improvement in the net cash used was primarily due to higher cash receipts from customers and lower PROTECT Randomized Clinical Trial expenses, partially offset by higher payroll and related costs.

In connection with a Rights Offering that closed on 6 November 2023, VTI had a Shortfall Facility that remained open through 6 February 2024. The Company received an additional investment of US$0.1 million in Q1 FY'24 and issued 0.7 million CDIs to the investor.

VTI finished Q1 FY'24 with $2.7 million in cash and cash equivalents. Based on our forecasted net cash use in fiscal 2024, we believe our current cash is sufficient to finance our operations through 2024 and into the first quarter of 2025. We plan to explore additional financing during 2024, as necessary, to support our long-term strategic plan.

Payments made to related parties, as described in item 6.1 of Appendix 4C, were for non-executive director remuneration.

Clinical Projects

The '**PROTECT'** (**PRO**gressive Myopia **T**reatment **E**valuation for NaturalVue Multifocal **C**ontact Lens **T**rial) Randomized Clinical Trial is a multi-center, randomized, double-masked, clinical trial with a 3-year follow-up period that has participating investigators in Canada, the United States, Hong Kong, and Singapore. PROTECT is an investment in the NaturalVue Multifocal product that the Company believes will be an important value driver beginning with the release of interim 1-year data.

The Company announced the preliminary interim 1-year results in October 2023 and announced the full 1-year results on 19 January 2024. The study enrolled 145 subjects in total, randomized into either the Test Group (103 subjects) or the Control Group (42 subjects). To date, there have been six voluntary exits from the study, representing a low dropout rate of 4%.

The interim 1-year treatment effects of the PROTECT Randomized Clinical Trial demonstrate that NaturalVue Multifocal 1 Day is safe and effective in slowing myopia progression. The results are consistent with, or better than, those of the only treatment approved by the U.S. Food and Drug Administration (FDA) for myopia progression control, which the Company views as a positive result and a corroboration of the results previously reported for 6-year real-world data. In a subgroup analysis matching the criteria for a similar clinical study, the Test Group wearing NaturalVue Multifocal 1 Day experienced 71% less myopia progression than the Control Group wearing a single vision contact lens. In the Test Group, 45% of subjects had no myopia progression at all and nearly two-thirds of the subjects experienced no meaningful progression (defined as 0.25D or less) in the last 12 months.

The third-party contract research organization ("CRO") conducting the PROTECT Randomized Clinical Trial performed an "Adjusted Outcomes" analysis of the interim 1-year results in which it statistically adjusted the results for possible baseline imbalances in age, gender, ethnicity, country, baseline refractive error, pupil size, and repeated measures over two eyes. The CRO then applied this analysis to a subset of the PROTECT Randomized Clinical Trial population matching the baseline parameters of the clinical trial used by the only FDA-approved myopia progression control contact lens (the "Common Study Population"). These adjusted outcomes indicate that NaturalVue MF was 89% effective in slowing the progression of myopia as measured by refractive error, and 58% effective as measured by the change in axial length (the length of the eye), compared to the control group. The 89% efficacy based on refractive error is approximately 50% better than the adjusted results for the only FDA-approved myopia progression control contact lens. Further, 45% of the subjects wearing NaturalVue MF in the Common Study Population had no increase in refractive error in the first year of the clinical trial, and 64% had a change of -0.25 diopters or less of change in refractive error, considered as no meaningful change. By comparison, only 21% of the subjects in the control group had a change of -0.25 diopters or less of change in refractive error.

VTI CEO and Executive Director Dr. Juan Carlos Aragón said: "We've now had time to fully analyze the interim 1-year results of the PROTECT Randomized Clinical Trial. The adjusted results using the Common Study Population are 50% better than the competing product, and they corroborate the real-world studies that VTI has performed for the past several years. These interim results have already allowed us to grow our business by expanding our international distribution, and we expect them to enable us to continue to strengthen our strategic partnerships and establish new ones and deepen our business relationships with eye care practitioners worldwide."

Global Expansion

In the past few months, VTI has signed new distribution agreements with partners in Belgium, Vietnam, the Middle East, Greece, Cyprus, Spain, Portugal, and Italy. The Company is negotiating with additional partners for distribution rights in Latin America, the Netherlands, Germany, Austria, Switzerland, South Korea, and the Philippines. VTI continues to work with several partners to identify the most expeditious and financially attractive route to regulatory approval and establishing distribution in China. With the announcement of the interim 1-year results of the PROTECT Randomized Clinical Trial, we have seen increased interest from our potential partners and are working diligently to finalize these negotiations and begin selling in these new markets.

Ends.

This release was authorized by the CEO, Dr. Juan Carlos Aragón.

For more information, please contact:

Company	*Investor and media relations*
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Invitation To Join Investor Conference Call
Investors are invited to join a conference call on Wednesday, 24 April 2024, at 8 AM AEST (Tuesday, 23 April 2024, 6 PM EDT) hosted by VTI's CEO, Dr. Juan Carlos Aragón.

To pre-register for the call please use this link:

https://s1.c-conf.com/diamondpass/10038314-w8bfgt.html

You will receive a calendar notification with dial-in details and a PIN for fast-track access to the call. Alternatively, you can dial in using the details below at the scheduled call start time.

Conference ID: 1003 8314

Participant dial-in numbers

Australia Toll Free:	1 800 954 501
Australia (Sydney) Local:	02 8072 4187
Australia (Melbourne) Local:	03 9999 2409
Canada Toll Free:	1 855 336 4664
China	4001 200 641
Hong Kong	800 906 986
Japan Toll Free:	005 3116 1306
New Zealand Toll Free:	0800 480 392
Singapore	800 852 3140
United Kingdom Toll Free:	0808 168 3761
United States Toll Free:	(855) 336 4664

About Visioneering Technologies

Visioneering Technologies Inc. (ASX:VTI) is an innovative eye care company committed to redefining vision. A pioneer in presbyopia and myopia management, the two fastest growing segments within Vision Care, VTI merges advanced engineering with a relentless drive to achieve superior results for patients and practitioners. VTI's flagship product is the NaturalVue® (etafilcon A) Enhanced Multifocal 1-Day™ Contact Lens, an extended depth of focus lens that the Company believes is one of the most significant innovations in the eye care industry in more than 20 years. For more information, please visit www.vtivision.com or call +1 844-884-5367, ext. 104.

Foreign ownership restrictions

VTI's CHESS Depositary Interests (**CDIs**) are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (**Securities Act**) for offers which are

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

Forward-Looking Statements

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

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

Given the current uncertainties regarding the ongoing impact of COVID-19 on the trading conditions impacting VTI, the financial markets, and the health services worldwide, there can be no assurance that future developments will be in accordance with VTI's expectations or that the effect of future developments on VTI will be those anticipated.

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

VTI-IR-ASX92

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Visioneering Technologies, Inc.	
ABN	**Quarter ended ("current quarter")**
616 156 248	31 March 2024

Consolidated statement of cash flows		**Current quarter US$'000**	**Year to date (3 months) US$'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,344	2,344
1.2	Payments for		
	research and development	(226)	(226)
	product manufacturing and operating costs	(689)	(689)
	advertising and marketing	(329)	(329)
	leased assets	-	-
	staff costs	(1,092)	(1,092)
	administration and corporate costs	(442)	(442)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	32	32
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(402)**	**(402)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	businesses	-	-
	property, plant, and equipment	-	-
	investments	-	-
	intellectual property	-	-

	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	-	-
	property, plant, and equipment	-	-
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	-	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**100**	**100**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,999	2,999
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(402)	(402)

4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	100
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,697**	**2,697**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter US$'000**	**Previous quarter US$'000**
5.1	Bank balances	250	250
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Short-term investments	2,426	2,749
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,676**	**2,999**

6.	**Payments to related parties of the entity and their associates**	**Current quarter US$'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end US$'000**	**Amount drawn at quarter end US$'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date, and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**US$'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(402)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,697
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	2,697
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	6.71

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations, and, if so, what are those steps, and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives, and if so, on what basis?

Answer:

Compliance Statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 23 April 2024

Authorised by: Brian Lane - CFO and COO
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed, and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.