2023 Annual Report

Visioneering Technologies, Inc (ASX:VTI) ('Visioneering,' 'VTI' or 'the Company'), provides the attached Annual Report for the year ended 31 December 2023.

Ends

This release was authorized by the Board of VTI.

For more information, please contact:

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

Forward-Looking Statements

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

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

Given the current uncertainties regarding the on-going impact of COVID-19 on the trading conditions impacting VTI, the financial markets and the health services world-wide, 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.

Visioneering Technologies, Inc. (ASX:VTI)

2023 Annual Report

Visioneering Technologies, Inc.

Redefining Vision

Visioneering Technologies, Inc. (ASX: VTI), "VTI" or "the Company," is an innovative eye care company committed to redefining vision. A pioneer in myopia and presbyopia management, 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.

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Forward-looking statements

This Annual Report contains or may contain forward-looking statements that are based on management's beliefs, assumptions, and expectations and on information currently available to management. Forward-looking statements involve known and unknown risks, uncertainties, contingencies, and other factors, many of which are beyond VTI's control (including but not limited to the COVID-19 pandemic) and subject to change without notice. They may involve significant elements of subjective judgment and assumptions about future events. Actual results may be materially different.

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, commercial market acceptance in the United States of America ("U.S.") and global sales of our product, as well as our expectations with respect to our ability to develop and commercialize new products and complete clinical trials.

Factors that could cause our actual results to differ materially from anticipated results expressed or implied by forward-looking statements include, among others:

- our ability to obtain sufficient capital or strategic business arrangements to fund our operations and expansion plans and the funding of our clinical trials for product candidates;
- our ability to expand our distribution and sales channels around the globe;
- our ability to build and maintain the management and human resources infrastructure necessary to support the growth of our business;
- scientific, regulatory, and medical developments beyond our control;
- our ability to obtain and maintain, as applicable, appropriate governmental licenses, accreditations, or certifications or to comply with healthcare laws and regulations or any other adverse effect or limitations caused by government regulation of our business;
- whether any of our current or future patent applications result in issued patents, the scope of those patents and our ability to obtain and maintain other rights to technology required or desirable for the conduct of our business, and our ability to commercialize products without infringing upon the claims of third-party patents;
- whether any potential strategic or financial benefits of various licensing agreements will be realized;
- our ability to diversify our pipeline of development product candidates, which could include an acquisition, merger, business combination, in-license or other strategic transaction, and whether any of such efforts will result in us entering into or completing any transaction or that any such transaction, if completed, will add to securityholder value;
- the results of our development activities;
- our ability to complete our current and planned clinical trials (or initiate other trials) in accordance with our estimated timelines due to delays associated with enrolling patients due to but not limited exclusively to the novelty of the treatment, the size of the patient population and the need of patients to meet the inclusion criteria of the trial or otherwise;
- the extent to which the COVID-19 pandemic may continue to impact our business, including our clinical trials and financial condition;
- our ability to procure our products from our contract manufacturer, as we rely on a single source for our products, and that source is in Taiwan; replacing this manufacturer would require approximately nine months to identify and establish arrangements with a new manufacturer;
- whether geopolitical instability impacts our manufacturer's ability to produce our products and ship them to our distribution centers;
- the ability of our customers (distributors) to ship our products to eye care professionals in a timely manner; and

Forward-looking statements (continued)

- adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, that could adversely affect our current and projected business operations and its financial condition and results of operations.

Any forward-looking statements are provided as a guide only and should not be relied upon as an indication or guarantee of future performance. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. You should not place undue reliance on forward-looking statements because they speak only as of the date when made and are subject to change without notice. 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.

What We Do

What we do: Contact lenses

VTI designs and markets contact lenses. Our flagship product, the NaturalVue® (etafilcon A) Enhanced Multifocal 1 Day Contact Lens (**NaturalVue MF**), is used by two very large global patient populations with complex and poorly addressed vision needs. These populations represent the two fastest growing segments within Vision Care and include:

- Children who have blurry distance vision ("nearsightedness" or "myopia") which progressively worsens through their childhood and adolescence, a condition called myopia progression. This condition correlates to an elevated lifetime risk for blindness and other debilitating ocular diseases, with the risk increasing with the severity of myopia; and
- Persons over the age of 40 who have myopia and are losing their ability to see near objects, a condition called presbyopia. Most current contact lenses designed for presbyopia compromise either near or distance vision and are time consuming for practitioners to optimize.

Eye Care Professionals (**ECPs**) use the same NaturalVue MF contact lens to treat both populations, slowing the progression of myopia in children/adolescents and providing middle-aged and older adults with simultaneous correction of near, intermediate, and distance vision. The versatility of treating two large and under addressed patient populations with a single contact lens design is a global competitive advantage.

We estimate that myopia in children currently represents approximately US$2 billion of addressable market opportunity globally, growing to approximately US$17 billion by 2030 (manufacturer revenue). As the degree of nearsightedness correlates to one's lifetime risk of blindness and other debilitating eye diseases, treatments for myopia progression in children are increasingly in demand.

We estimate that the current market for treating presbyopia with contact lenses currently exceeds US$1 billion, and it will grow to nearly US$1.9 billion by 2030 (manufacturer revenue). With the global population aging, millions of contact lens wearers need to be upgraded to a multifocal alternative. Many contact lens wearers stop using contacts as they age due to poor vision and discomfort with many products currently on the market. The extended depth of focus design and TripleTear® lubrication of the NaturalVue MF address both issues to provide high quality vision and all-day comfort to our presbyopic wearers.

In addition to contact lenses for presbyopia and myopia management, VTI also sells NaturalVue Sphere, which is a contact lens for the correction of blurry distance vision (myopia).

Defined terms

We reference several defined terms throughout this Annual Report as follows:
Shipments to US ECPs (Eye Care Professionals, or "ECPs") – represents the gross revenue equivalent of lenses shipped to ECPs located in the U.S., net of fulfillment fees.
Active U.S. Accounts – ECPs located in the U.S. that purchased VTI products in the most recent fiscal quarter.
Repeat Customer Rate – the percent of prior quarter Active U.S. Accounts that purchased in the current quarter.

Chair's Letter

I am pleased to present the Visioneering Technologies, Inc. 2023 Annual Report.

2023 was a year of significant changes for VTI, most recently with the resignation of our former Chair, Dr. David J. Mazzo. Dr. Mazzo served VTI as Chair for four years and played an integral role in attracting Dr. Juan Carlos Aragón ("JC") to the Company as CEO. I speak for the full Board when I offer our sincere appreciation for Dr. Mazzo's service to the Company and wish him continued success.

In August 2023, we announced the pending addition of a world-class CEO to the organization, Dr. Juan Carlos Aragón, or "JC". We believe JC brings the breadth and depth of experience that will enable the Company to achieve great things now and long-term, guiding our growth in the large and expanding global myopia and presbyopia vision care markets. Already, he's demonstrated vast knowledge of the industry, including the products, competitors, and distributors across the globe. This expertise is evident from the number of distributors and potential strategic partners that have contacted us or responded favorably to our outreach efforts. We have signed distribution agreements with several partners and continue negotiations with multiple other distributors and potential strategic partners.

In October 2023, we announced the preliminary interim 1-year results of the PROTECT Randomized Clinical Trial. We are highly encouraged by PROTECT results and plan to leverage these results for the benefit of our customers, partners, and securityholders.

We are pleased to report record net revenue of US$8.7 million (A$13.0 million) in FY'23 representing a 19% increase over the prior year, as well as record shipments to US ECP's of US$8.2 million during 2022.

We continue to hold a strong belief that we have a unique product in a large and fast-growing market, providing us with tremendous growth potential both in the US and in global markets.

Looking forward, we will continue to focus on achieving cash flow neutrality and profitability and we believe we have a path to doing so in FY'26. We believe partnerships will be critical to our ongoing success and will continue to pursue mutually beneficial partnerships around the globe. We recognize China is a huge underserved market with tremendous potential for future revenue growth. We are currently evaluating multiple parties to find the right partnership to enable us to leverage this opportunity.

We are thankful for our partners, distributors, the ECP's that prescribe our products to their patients, to our manufacturers and to our employees, for their continued dedication to helping VTI build our business and fulfill our mission to address the increasing demand for myopia management and presbyopia solutions. We also extend our great thanks to our securityholders who continue to support us on this journey. We believe good things are in store and we look forward to executing our mission to improve the vision for patients around the globe.

Kathleen Miller

Kathleen Miller
Interim Chair and Non-executive Director

CEO Report

After working for almost 40 years with three of the world's largest and most successful vision care companies, I joined VTI in October 2023 as the Company was preparing to announce the interim 1-year results of its PROTECT Randomized Clinical Trial. My timing was excellent, as the positive results validated the Company's expectations that NaturalVue MF was both safe and effective in slowing the progression of myopia in children. In fact, the treatment effects were consistent with or better than those of the only treatment approved by the FDA for myopia progression control. One-year data from clinical studies of a similar design to PROTECT have been highly predictive of the full three-year efficacy results. I did not know the results when I agreed to join VTI, and I am delighted that they were so encouraging.

The favorable PROTECT results greatly influenced my strategic plans for VTI. I've known the Company for several years and have been aware of the favorable anecdotal feedback from ECPs and of the real-world studies demonstrating the effectiveness of NaturalVue MF in slowing the progression of myopia. With the interim 1-year PROTECT Randomized Clinical Trial results corroborating the real-world results, the opportunity to gradually expand our North American sales force, and to enter into discussions that could lead to collaboration initiatives with strategic partners and global distributors is even greater than I anticipated.

There are multiple interventions for managing myopia. Soft contact lenses, overnight orthokeratology with rigid contact lenses, next-generation spectacles, and atropine drops are currently used in various markets to varying degrees for this purpose. We believe that the NaturalVue MF soft contact lens is one of the most effective and safest treatments for slowing the progression of myopia in children and young adults, making it an excellent intervention for myopia management. We base this belief on the real-world results that VTI has updated for several years, which now have been corroborated by the interim 1-year results of the PROTECT Randomized Clinical Trial.

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.

It is expected that the adjusted results based on axial length reflect a lower efficacy than those based on refractive error. Children's eyes naturally grow as they age, so axial length is expected to increase through childhood. Conversely, not all children experience an increase in their refractive error. A product for managing myopia may completely halt the progression of refractive error, but it will not, and should not, completely halt the increase in axial length. Since some progression in the axial length is expected, the reduction in the axial length progression is less than for refractive error, for which no progression is the desired outcome.

Global Expansion

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

Operating Results (in U.S. dollars)

VTI achieved record net revenue of $8.7 million in FY'23, an increase of 19% over FY'22. Shipments to US ECPs were a record $8.2 million, an increase of 4% over FY'22. The percentage increase in net revenue was higher than the percentage increase in Shipments to US ECPs due primarily to the launch of the enhanced multifocal product in the fourth quarter of 2021. Distributors placed large initial stocking orders of the new product in Q4 FY'21, resulting in fewer orders and lower net revenue in the first and second quarters of 2022.

Gross margins also improved between years, increasing from 45.5% in FY'22 to 54.9% in FY'23. Gross margins were 57.0% in the third and fourth quarters of FY'23, and the Company expects to continue to achieve gross margins of 55% or more in FY'24 due to favorable changes in selling price, purchasing costs, and shipping expenses.

VTI also lowered its operating expenses in FY'23 due primarily to lower clinical expenses associated with the PROTECT Randomized Clinical Trial in FY'23 than in FY'22. We anticipate that PROTECT Randomized Clinical Trial expenses will remain low in FY'24 before increasing again in FY'25, the final year of the clinical trial.

These improvements drove a 31% decrease in the Company's operating loss in FY'23, when compared to FY'22. We expect revenue and gross profit growth, combined with tight controls on operating expenses, to enable the Company to continue to lower its operating losses in FY'24.

Working Capital

During the fourth quarter of FY'23, the Company completed a Director Placement, Rights Offering and accepted subscriptions under a Shortfall Offer, raising an aggregate $1.6 million (net of offer costs) (Capital Raising). The Director Placement was approved by securityholders at a Special Meeting of Stockholders held on November 2, 2023. The Company issued 12.7 million CDIs or shares under the Capital Raising. In addition, the Company converted the remaining 1,120,000 Convertible Notes to 8.0 million CDIs, thereby eliminating the remaining outstanding debt. The Shortfall Offer remained open through February 6, 2024, and the Company received additional investments of 0.7 million CDIs, or $0.1 million at A$0.22 per CDI, in FY'24.

VTI finished FY'23 with $3.0 million in cash and cash equivalents. Our net cash used in operating activities was $3.6 million during the year. Based on our forecasted net cash use in FY'24, we believe our current cash is sufficient to finance our operations through the first quarter of FY'25. We plan to explore additional financing in FY'24, as necessary, to support our long-term strategic plan.

Matters subsequent to the end of the Financial Year

VTI has evaluated subsequent events through to April 16, 2024, and determined that no additional subsequent events had occurred that would require disclosure or recognition in the annual financial statements since their first release to ASX on February 28, 2024.

Environmental regulation

VTI is not subject to any significant environmental regulation under U.S. legislation. VTI is committed to the sustainable management of environmental, health, and safety concerns as a core business principle. This includes ensuring compliance with all applicable government standards and regulations and providing a safe and healthy workplace, while reducing our environmental footprint. We integrate health, safety, and environmental considerations into all aspects of our business. The Board of Directors considers that adequate systems are in place to manage VTI's obligations and is unaware of any breach of environmental requirements related to VTI.

Outlook

Our new product launch (NaturalVue® Enhanced Multifocal 1 Day™ contact lenses) was successful, with positive feedback from ECPs and patients. The PROTECT Randomized Clinical Trial is fully enrolled, and the interim 1-year

CEO Report (continued)

results were very positive, indicating that NaturalVue MF is at least as effective as the only treatment approved by the FDA for myopia progression control, possibly even 50% more effective than that product. The Company grew its net revenue and gross profit while lowering its operating expenses in FY’23. Our commitment to the PROTECT Randomized Clinical Trial and the protocol quality is driving heightened interest from potential partners in working with VTI, as evidenced by the new distribution agreements we’ve signed and are negotiating in Europe, Asia, and Latin America. Further, we continue discussions with multiple partners to work together to gain regulatory approval to sell in China or enter other strategic relationships, and we will gradually expand and optimize our sales organization in North America. These developments positively impact the Company’s value to potential partners, lenders, and investors.

Our largest investor fully participated in the Rights Offering we held in FY’23 and agreed as the primary Convertible Note holder to support VTI by converting the remaining notes to CDIs. I appreciate their continued belief in our vision. Thank you as well to our securityholders for continuing this journey with us as we improve our operations, expand our global footprint, enhance the vision of patients worldwide, and continue our work to achieve enduring securityholder value.

Sincerely,

Dr. Juan Carlos Aragón
CEO and Executive Director

Directors

Ms. Kathleen Miller
Interim Chair of the Board and Independent Non-executive Director
Chair of the Audit and Risk Committee

Ms. Miller was appointed as a Director effective with the retirement of Ms. Jean Franchi on December 31, 2022. She was appointed Interim Chair upon the resignation of Dr. Mazzo from VTI's Board of Directors. Ms. Miller is an experienced public company board member and Audit Committee Chair with over 30 years of leading and advising boards of public and high-growth companies on finance, accounting, compensation, mergers & acquisitions, initial public offerings, governance, strategy and operations. Ms. Miller currently serves as a Non-executive Director and Audit Committee Chair for Tecsys (TO:TCS), a leading supply chain and complex distribution management system provider; Audit Committee Chair for True Commerce, a private equity backed leader in EDI and multi-enterprise supply chain eCommerce and business networks; and Non-executive Director for TeamFront, a united team of software companies and vertical SaaS experts on the frontline of everyday industries.

Prior to her retirement, Ms. Miller was CFO of Nitro Software, Inc. (ASX:NTO), a high growth SaaS-based workflow productivity company, where she contributed to 200% recurring revenue CAGR and 95% client retention. Through her CFO role and at the board level, she led the ASX IPO for this $40M business. Previously, Ms. Miller led dual roles as CFO and COO of nCourt LLC, a high-growth SaaS-based software and payment service provider with $4B+ in processed funds, overseeing all operational and financial functions.

Ms. Miller earned an M.S. in the Study of Law, magna cum laude from Fordham University and a B.S. in Accounting, cum laude from Alfred University.

Mr. Andrew Silverberg
Non-executive Director
Member of the Nomination and Remuneration Committee and Audit and Risk Committee

Mr. Silverberg was appointed as a Director on November 5, 2020 pursuant to an agreement between the Company and Thorney Investment Group Australia Pty Ltd, one of the Company's largest security holders. He has over 20 years of experience as an investor and leader in the global money management industry and possesses deep expertise and relationships in investment management, capital markets, and investment banking.

Mr. Silverberg currently serves as an Investment Manager with Thorney Investment Group Australia Pty Ltd. From 2014 to 2017, Mr. Silverberg served as Senior Portfolio Manager at Talpion Fund Management, a New York based family office, where he managed a global equity portfolio and researched various public and private investment opportunities. From 2012 to 2014, Mr. Silverberg re-joined hedge fund firm Mark Asset Management as Partner and Portfolio Manager. From 2001 – 2012, Mr. Silverberg was a Senior Vice President and Portfolio Manager with institutional money management firm Fred Alger Management. Mr. Silverberg began his career as a Research Analyst with Mark Asset Management.

Mr. Silverberg graduated from Brooklyn College with a Bachelor of Science Degree in Business, Management and Finance.

Dr. Dwight Akerman, OD, MBA
Independent Non-executive Director
Chair of the Science and Technology Committee and member of the Audit and Risk Committee and the Nomination and Remuneration Committee

Dr. Akerman was appointed as a Director on July 2, 2021. Dr. Akerman is an optometrist and an experienced executive in the vision care industry, with over 40 years of leadership in optometry, new product development, clinical and regulatory affairs, academic and professional affairs, business development and licensing, and executive management. He is currently the Chief Medical Editor of the publication “Review of Myopia Management”.

From 2001 to 2011 at Ciba Vision, he served as Director of Marketing, Director of Professional Affairs in North and South America, and Global Head of Medical Affairs at Novartis Ophthalmics. Then, after Ciba Vision merged with Alcon, he served as Executive Director of U.S. Professional Affairs before being promoted to Vice President and Global Head of Professional Affairs and Business Development. In this last role at Alcon, Dr. Akerman was a member of the vision care global leadership team and had responsibilities for myopia management strategy, medical marketing, business development and licensing, and managed the company’s relationship with global medical associations. He retired from Alcon in 2019.

Dr. Akerman earned his Doctor of Optometry degree cum laude at the Illinois College of Optometry and his MBA at the University of Texas at Tyler.

Dr. Allan E. Rubenstein, MD
Independent Non-executive Director
Chair of the Nomination and Remuneration Committee and member of the Science and Technology Committee

Dr. Rubenstein was appointed as a Director on June 29, 2022. He is a highly experienced public company board director, a successful entrepreneur, and a respected medical doctor. He served for 29 years on the board of The Cooper Companies, Inc. (NYSE: COO), including as either Chairman or Lead Independent Director for all but two of those years. The Cooper Companies, Inc. is the parent company of CooperVision, one of the largest contact lens companies in the world.

Dr. Rubenstein achieved success early in his career by founding, growing, and selling a mobile CT and MRI scanning company. He then founded and served as CEO of NexGenix Pharmaceuticals, which developed drugs for cancer and genetic disorders. NexGenix was acquired by Oncosynergy in 2011. He was a board member of Bioclinica (Nasdaq: BIOC), which provided imaging services for clinical trials (Bioclinica merged in 2021 to become Clario, a private company). He was the Chairman of the Scientific Advisory Board (SAB) for Plex Pharmaceuticals, a privately held biotechnology company, for 9 years and presently is the head of the SAB for 2 privately held companies in the vision space: Coloursmith Labs and EyeVision Pharma. He is also a member of the advisory board for the Tufts University Graduate School of Biomedical Sciences, a program that engages stakeholders from science, private equity and governmental sectors to commercialize advances in medicine and is Chairman Emeritus of the SAB for the Children’s Tumor Foundation, which he co-founded.

Dr. Rubenstein earned his Bachelor of Arts degree from Cornell University, his medical degree from Tufts University School of Medicine and trained in neurology at Columbia Presbyterian Medical Center. Dr. Rubenstein is currently Clnical Professor of Neurology and Pediatrics at NYU Medical Center.

Directors (continued)

Dr. Juan Carlos Aragón
Chief Executive Officer and Executive Director

Dr. Aragón brings over 30 years of leadership in the vision care industry to VTI. His experience includes senior executive leadership positions in several large international vision care companies, as well as managing divisions for the Americas, Asia Pacific, and Europe.

Most recently, he was President of CooperVision (“CV”) Specialty EyeCare, which incorporates CV’s soft custom and rigid gas permeable contact lens product offerings, including orthokeratology, scleral lenses, and myopia management products for global markets, including China. In the previous 23 years, Dr. Aragón has held several senior positions within CooperVision and a predecessor company. He also held positions within CIBA Vision, a predecessor company to Alcon, and with Bausch + Lomb.

Dr. Aragón earned his optometry degree from the Superior School of Medicine of the National Polytechnic Institute in Mexico City.

Dr. Aragón is a former board member and former Chair of the Global Myopia Awareness Coalition (GMAC), a diverse group of leading companies working together to protect children from the effects of myopia. His leadership in and service to GMAC highlights Dr. Aragón’s dedication to vision care and the respect the industry has for his capabilities. He also volunteers as Chairman of the Board of Optometry Giving Sight; and has been a board member of the Brien Holden Foundation, the International Agency for the Prevention of Blindness, and Vision Aid Overseas (now Vision Action). He was also a Board Member of Sight Glass Vision, now a Joint Venture of CooperVision and Essilor/Luxottica.

Senior Leadership Team

Dr. Juan Carlos Aragón
Chief Executive Officer and Executive Director

(see page 12 above)

Mr. Brian Lane
Chief Operating & Chief Financial Officer

Mr. Lane has more than 30 years of experience in financial operations and management. Prior to joining VTI, he served as CFO of Onepath, a private equity-owned services firm that designs, deploys and supports technology. Previously, he was Controller of PRGX Global, a NASDAQ-listed global recovery audit and business analytics firm. He held senior financial positions at several other companies in the financial services, franchise and manufacturing industries. Mr. Lane began his career with Ernst & Young, LLP.

Mr. Lane earned his Bachelor of Business Administration from the University of Georgia, where he graduated magna cum laude, and is a Certified Public Accountant (CPA).

Dr. Kuang-mon (Ashley) Tuan
Chief Medical Officer

Dr. Tuan joined VTI on November 2, 2021 as Chief Medical Officer. Most recently, Dr. Tuan was Vice President of Medical Devices for Mojo Vision, a smart contact lens company. Previously, she was Vice President of Clinical Affairs & Vision Research for Powervision, Inc., an accommodative intraocular lens company, and Senior Director of Clinical Research for Nexisvision, Inc., an ophthalmic medical device company. She also served as Vision Research and Project Manager for CooperVision, where she helped develop and launch the MiSightTM contact lens that later became the first contact lens approved by the FDA indicated to slow the progression of myopia in children. In addition to other positions in the vision care industry, Dr. Tuan was a practicing optometrist for nine years.

Dr. Tuan holds a Ph.D. in Vision Science from the University of California at Berkeley School of Optometry and a Doctor of Optometry and Master of Science in Physiological Optics from The Ohio State University College of Optometry. She is a member of the Association for Research in Vision and Ophthalmology (ARVO), the British Contact Lens Association (BCLA), and a Fellow of the American Academy of Optometry (FAAO).

Remuneration Report (Unaudited)

(All amounts in U.S. dollars unless otherwise stated)

Directors and Committees

The composition of the Board as of December 31, 2023, and the length of service of each Director are as follows:

Name	Position	Date appointed	Independent Yes/No	Audit & Risk Committee	Nomination & Remuneration Committee	Science & Technology Committee
David Mazzo[1]	Chairman (non-executive)	February 28, 2020	Yes	No	Yes	Yes
Andrew Silverberg	Director (non-executive)	November 5, 2020	No	Yes	Yes	No
Dwight Akerman	Director (non-executive)	July 2, 2021	Yes	Yes	No	Chair
Allan Rubenstein	Director (non-executive)	June 29, 2022	Yes	No	Chair	Yes
Kathy Miller[1]	Director (non-executive)	December 31, 2022	Yes	Chair	No	No
Juan Carlos Aragón	CEO and Executive Director	October 1, 2023	No	No	No	No

[1]Dr. Mazzo resigned from the Board effective February 29, 2024, and Ms. Miller was appointed Interim Chair of the Board.

The following table shows the number of meetings of the Board, the Audit & Risk Committee, the Nomination & Remuneration Committee, and the Science & Technology Committee, and the number of those meetings attended by each Director during the year ended December 31, 2023.

Name	Board meetings	Audit & Risk Committee meetings	Nomination & Remuneration Committee meetings	Science & Technology Committee meetings
David Mazzo	6 of 6	–	4 of 4	5 of 5
Andrew Silverberg	6 of 6	8 of 8	4 of 4	–
Dwight Akerman	6 of 6	8 of 8	–	5 of 5
Allan Rubenstein	6 of 6	–	4 of 4	5 of 5
Kathy Miller	6 of 6	8 of 8	–	–
Juan Carlos Aragón[1]	2 of 2	–	–	–

[1]Dr. Aragón joined the Company effective October 1, 2023, and was present for all meetings held during his tenure with the Company.

CHESS Depository Interests (CDIs) / Class A common stock (Shares) held by each Director as of December 31, 2023 were as follows:

Name	CDIs	Shares	Listed Options[3]	Unlisted Options[4]	Restricted Stock Units
David Mazzo[1]	11,954	242,438	8,824	38,000	–
Andrew Silverberg[1]	–	88,071	8,824	38,000	–
Dwight Akerman	–	176,056	–	38,000	–
Allan Rubenstein	–	195,295	–	38,000	–
Kathy Miller	–	352,113	–	38,000	–
Juan Carlos Aragón	–	–	–	–	425,000[2]

[1]As approved at a Special Meeting of Stockholders held on March 17, 2021 (Australian Eastern Daylight Time), and as adjusted for a reverse split of the Shares effected on June 15, 2021, each of these Directors purchased 17,648 Shares and received 8,824 Options at the same terms as investors under a Placement and Security Purchase Plan, except that the Directors received Shares rather than CDIs.

[2]The Company obtained securityholder approval under ASX Listing Rule 10.14, at the November 2023 Special Meeting, to issue the 425,000 restricted stock units to Dr. Aragón. Dr. Aragón is to be granted a further 425,000 restricted stock units that will vest based on certain strategic goals that he and the Board of Directors must agree on, and which is subject to obtaining securityholder approval at the 2024 Annual Meeting. Further, Dr. Aragón is to be awarded 280,584 restricted stock units under the Company's short-term incentive plan, and this grant is also subject to obtaining securityholder approval at the 2024 Annual Meeting. In addition, both grants exceed the awards available in the Company's 2017 Plan (see "Long-term incentives component" below) and require securityholder approval to increase the awards available in the 2017 Plan prior to issuance to Dr. Aragón.

[3]The listed options expired February 28, 2024.

[4]The Company obtained securityholder approval under ASX Listing Rule 10.14, at the November 2023 Special Meeting, to issue the unlisted options to the Directors.

Further Remuneration Information

The Board and its Nomination and Remuneration Committee review and approve remuneration and incentive policies and practices. The Company has a clear distinction between the structure of non-executive Directors' remuneration and that of senior executives.

In addition to the remuneration described below, Directors and senior executives may be reimbursed for travel and other expenses incurred in attending to the Company's affairs.

Non-executive Directors

Under the ASX Listing Rules, the total amount paid to all non-executive Directors for the services must not exceed the amount fixed by VTI in a general meeting. This amount has been fixed at $500,000 per financial year.

The Board seeks to set non-executive Directors' fees at a level that provides the Company with the ability to attract and retain non-executive Directors of the highest caliber with relevant professional expertise and reflect the demands that are made on, the responsibilities of and the liabilities assumed by the non-executive Directors, while incurring a cost that is acceptable to security holders.

Each non-executive Director was paid director's fees of $61,800 per annum plus another $25,750 per annum for the Chairman, $7,200 per annum for Committee Chairs, and $3,100 for Committee members other than Chairs.

Senior executives

The Company's approach to remuneration is framed by the strategic directions and operational demands of the business, the international marketplace in which the business operates, and high standards of governance. The executive remuneration strategy includes a mix of competitive fixed remuneration, short-term incentives in the form of cash bonuses, and longer-term incentives in the form of grants under the Company's 2017 Equity Incentive Plan.

Setting and reviewing remuneration of senior executives

The Company aims to reward executives with a level and mix of remuneration appropriate to their position, experience, and responsibilities while being market competitive and enabling the Company to structure awards that may conserve cash reserves due to the Company's current scale.

The Nomination and Remuneration Committee, with the Board, actively reviews the Company's remuneration structure and benchmarks the proportion of fixed remuneration, short-term incentives, and long-term incentives against relevant comparators to ensure the policy objectives are met and are in line with good corporate practice for a company of VTI's size, industry and stage of development. Remuneration levels are considered annually through the remuneration review, which considers industry benchmarks in Australia and the United States and the performance of the Company and individual. Other factors considered in determining remuneration include a demonstrated record of performance and the Company's ability to pay. In the case of executives, the senior most executive (typically the CEO or COO) provides recommendations to the committee. The committee obtained remuneration benchmarking with reference to industry peers, together with, where appropriate, other benchmarking reports that apply to specific positions in 2023.

The Board believes that equity-based remuneration is an effective way to attract, retain, and motivate key employees. When used appropriately, it can provide a vehicle for linking executive pay to a company's performance, thereby aligning the interests of executives with those of security holders. Tying a portion of an executive's remuneration to the performance of the Company provides an incentive to maximize stock value by those in the best position to realize that value.

Fixed component

The Company aims to provide a competitive base salary with reference to the role, market, and experience. The performance of the Company and individual are considered during the annual remuneration review.

Short-term incentives component

The Company generally pays cash bonuses for attainment under the short-term incentive plan based on attainment of corporate goals and measured as a percentage of the executive's base salary. For FY'23, the target percentages were 50% for Dr. Aragón (prorated for the portion of the year he was employed) and 40% for each of Mr. Lane and Dr. Tuan.

Long-term incentives component

The Company rewards executives for their contribution to the creation of security holder value over the longer term through the 2017 Equity Incentive Plan (**2017 Plan**) and the issue of incentive stock options and/or restricted stock units under the 2017 Plan. The Company awards long-term incentive stock options based on attainment of corporate goals and measured as a percentage of the executive's base salary. For FY'23, the target percentages were 30% for each of Mr. Lane and Dr. Tuan. Dr. Aragón was not eligible for the long-term incentive for FY'23 but has a target percentage of 40% for FY'24. Awards under the long-term incentive plan generally vest over 4 years based on continuity of service (but are subject to acceleration in limited circumstances, including termination without cause and a change in the control of the Company).

The 2017 Plan replaced the 2008 Equity Incentive Plan (**2008 Plan**) at the time of the Company's initial public offering and listing on the ASX in March 2017. The 2008 Plan operates substantially the same way as described above (although following the adoption of the 2017 Plan, no new grants are being made under the 2008 Plan).

The rules of both plans were released to the ASX on March 27, 2017 and copies are available from the "All Announcements" section of the Company's investor website at www.vtivisioninvestors.com.

The Board administers both the 2017 Plan and 2008 Plan based on the recommendations of the Nomination and Remuneration Committee.

FY'23 performance

For FY'23, the goals for the short-term and long-term incentive plans were the same for each plan. The goals each were weighted 25% and included:

- a net revenue target
- a target announcement date for the interim 1-year results of the PROTECT Randomized Clinical Trial
- a year-end cash balance target
- a strategic transaction target

Achievement of the goals was determined by the Nomination and Remuneration Committee to be at 100% of target. Awards under the short-term incentive plans were made in the form of restricted stock. Awards under the long-term incentive plan are to be made in incentive stock options. There are insufficient Shares available for grants under the 2017 Plan, and accordingly only a portion of the awards were granted to employees. The remaining awards will be granted subject to securityholders approving an increase in the number of Shares available under the 2017 Plan, which will be sought at the 2024 Annual Meeting.

Summary table

The remuneration of senior executives in respect to the financial year that ended December 31, 2023 (including remuneration yet to be paid) is summarized below.

Senior Executive	Base Salary	Short-term incentive	Other	Long-Term Incentive
Juan Carlos Aragón (A)	$100,000	280,584 restricted shares pending (D)	425,000 nonvested restricted stock units issued; 425,000 nonvested restricted stock units pending	–
Brian Lane (B)	$330,000	548,149 restricted shares issued; 192,592 pending (D)	$37,500	1,020,000 incentive stock options with a fair value of $99,000 pending (E)
Ashley Tuan (C)	$330,000	548,149 restricted shares issued; 192,592 pending (D)	–	1,020,000 incentive stock options with a fair value of $99,000 pending (E)

(A) Dr. Aragón joined VTI effective October 1, 2023. His base salary is $400,000 per annum, of which he earned 25% in FY'23. He was awarded 850,000 restricted stock units, of which 425,000 were approved by securityholders under ASX Listing Rule 10.14 in November 2023 and vest based on the increase in the price of the Company's CDIs on the ASX through October 2026. The remaining 425,000 restricted stock units are to be based on strategic goals to be set by the Board. The Company plans to seek approval of this award at the 2024 Annual Meeting.

(B) Mr. Lane was awarded 740,741 shares of restricted stock under the short-term incentive plan, of which 548,149 restricted shares were issued in March 2024, and 192,592 restricted shares are due to be issued subject to securityholder approval of an increase in the number of Shares available under the 2017 Plan. Mr. Lane also received $37,500 as additional compensation for his role as Chief Operating Officer in FY'23 following the resignation of the Company's former CEO and prior to commencement of Dr. Aragón's employment. This additional compensation was paid to Mr. Lane in March 2024.

(C) Dr. Tuan was awarded 740,741 shares of restricted stock under the short-term incentive plan, of which 548,149 restricted shares were issued in March 2024, and 192,592 restricted shares are due to be issued subject to securityholder approval of an increase in the number of Shares available under the 2017 Plan.

(D) Each of the senior executives was awarded restricted shares based on 100% achievement of the short-term incentive for FY’23. The award for Dr. Aragón requires securityholder approval under the ASX Listing Rules. As the awards for Mr. Lane and Dr. Tuan exceed the Shares available under the 2017 Plan, the Company intends to seek securityholder approval at the 2024 Annual Meeting for Dr. Aragón’s awards as well as an increase in the number of Shares available under the 2017 Plan so as to enable the Company to issue the restricted shares and restricted stock units to the senior executives.

(E) Mr. Lane and Dr. Tuan each were awarded incentive stock options for achieving the targets under the long-term incentive. As the awards exceed the Shares available under the 2017 Plan, the Company intends to seek securityholder approval at the 2024 Annual Meeting for an increase in the number of Shares available under the 2017 Plan, which is sufficient to enable the Company to issue the incentive stock options to the senior executives.

Corporate Governance

Good corporate governance is one of the foundational business practices of VTI. During FY'23, VTI, as a Delaware incorporated corporation listed on the ASX, sought to achieve substantive compliance with the governance recommendations set out in the 'Corporate Governance Principles and Recommendations 4th Edition', published by the ASX Corporate Governance Council (**the ASX Principles**). The Company's Corporate Governance Statement can be viewed at https://vtivisioninvestors.com/corporate-governance/. The Corporate Governance Statement sets out the extent to which VTI has followed the ASX Corporate Governance Council's Recommendations during the year ended December 31, 2023.

Details of the Company's corporate governance policies and procedures, including information about Board Committees and Corporate Charters, can be found on VTI's investor website under the Corporate Governance section: https://vtivisioninvestors.com/corporate-governance/.

Other Securityholder Information

Introduction

The Company has CDIs quoted on the ASX trading under the ASX code VTI. Each CDI represents an interest in one Share. The Company's securities are not quoted on any other exchange.

The information below is current as of March 14, 2024. To avoid double-counting, the holdings of Shares by CHESS Depositary Nominees Pty Limited (**CDN**) (underpinning the CDIs on issue) have been disregarded in the presentation of the information below. Related but separate legal entities are not aggregated for the purpose of the table below.

Top 20 Holders of CDIs and Shares

Rank	Name	Number	% of Issued Capital
1	Thorney Investment Group	25,209,832	46.04%
2	Regal Funds Management	4,978,158	9.09%
3	Mr. Paul Cozzi	2,311,239	4.22%
4	Gleneagle Securities	1,865,452	3.41%
5	Macquarie Securities	1,142,937	2.09%
6	Mr Brian Lane	1,089,476	1.99%
7	Ms Rochelle Davis	1,048,725	1.92%
8	Dr Ashley Tuan	1,010,166	1.84%
9	Cranport	1,000,000	1.83%
10	JPMorgan Chase US Private Bank	707,989	1.29%
11	Wide River Connecting Inc	704,226	1.29%
12	Mr Mark Blows & Ms Agnieszka Wiercinski	480,650	0.88%
13	Mr Richard K Colebatch	386,000	0.70%
14	Mr Gavin D Wet	369,812	0.68%
15	DF Capital II LLC	359,493	0.66%
16	Ms Kathleen Miller	352,113	0.64%
17	Dr Stephen Snowdy	342,580	0.63%
18	Mr Rajeev Kapur	307,796	0.56%
19	Mr Minh V Q Dang & Mrs Thi K D Nguyen	261,305	0.48%
20	Dr David J. Mazzo	254,392	0.46%
	Top 20 holders	44,182,341	80.69%
	Remaining holders	10,573,542	19.31%
	Total	**54,755,883**	**100.00%**

Distribution of CDIs and Shares

Range	Total holders	Number	% of Issued Capital
1 – 1,000	415	150,544	0.27%
1,001 – 5,000	265	717,341	1.31%
5,001 – 10,000	76	563,816	1.03%
10,001 – 100,000	151	4,752,621	8.68%
100,001 – 999,999,999	43	48,571,561	88.71%
Total	**950**	**54,755,883**	**100.00%**

528 investors are holding less than a marketable parcel of CDIs or Shares, based on a minimum A$500.00 parcel at A$0.18 per CDI or Share (close of trade price on April 11, 2024).

Other Securityholder Information (continued)

Listed Options (listed on ASX)

There were a total of 6,919,447 listed options, all of which were issued under a security purchase plan and a placement to sophisticated and professional investors, to certain non-executive directors in conjunction with the placement, and to the joint lead managers of the placement (as part payment of their fees) and were approved at a Special Meeting of Stockholders which was held on 17 March 2021. The listed options expired on February 28, 2024.

Substantial Security Holders

The names of substantial security holders in the Company and their respective holdings of equity securities (to the best of the Company's knowledge) are as follows:

Security Holder	Number of equity securities[1]	Voting power (%)
Thorney Investment Group	25,209,832 CDIs	46.04%
Regal Funds Management Pty Limited	4,978,158 CDIs	9.09%

[1] One Share is equal to one CDI.

Convertible Notes (not listed on ASX)

In July 2019, the Company issued a total of $3.0 million of Convertible Notes (with a face value of $1.00 each). One holder converted $0.2 million of Convertible Notes in 2020. In 2022, securityholders approved a change of the conversion rate for 60% of the remaining Convertible Notes to A$0.39, and holders converted $1,680,000 of Convertible Notes into 6,727,609 CDIs. The remaining 1,120,000 Convertible Notes were amended to a conversion price of A$0.60, and the maturity date was extended from 11 July 2023 to 30 June 2024. In November 2023, securityholders approved a change of the conversion rate for the remaining Convertible Notes to A$0.22, and holders converted the remaining Convertible Notes into 7,954,545 CDIs. There were no Convertible Notes outstanding as of December 31, 2023.

Options (not listed on ASX)

There are a total of 995,103 unquoted options on issue as of March 14, 2024 held by 20 holders, all of which were issued under the 2017 Plan or 2008 Plan.

Range	Total holders	% of Options (unquoted)
1 – 1,000	6	0.52%
1,001 – 5,000	3	0.90%
5,001 – 10,000	2	1.61%
10,001 – 100,000	12	31.69%
100,001 – 999,999,999	2	65.28%
Total	**25**	**100.00%**

Note that the options outlined above have various exercise prices and expiry dates.

Securities Subject to Escrow

The last day of escrow period for all Shares/CDIs and Options was March 27, 2019. No securities were subject to escrow after that date.

Other Securityholder Information (continued)

Required Statements

The Company is incorporated in the State of Delaware in the United States of America. It is not subject to Chapters 6, 6A, 6B, and 6C of the *Corporations Act 2001* (Cth) dealing with the acquisition of shares, including provisions that relate to substantial holdings and takeovers.

Under the Delaware General Corporation Law, shares generally are freely transferable subject to restrictions imposed by U.S. federal or state securities laws, by the Company's certificate of incorporation or by-laws, or by an agreement signed with the holders of the shares at issue. The Company's amended and restated certificate of incorporation and amended and restated by-laws do not impose any specific restrictions on transfer. The Company's CDIs were issued in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act of 1933 (Securities Act) for offers that are made outside the U.S. 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 U.S. 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 U.S. or to a U.S. person for the foreseeable future except in very limited circumstances after the expiration of a restricted period, unless the resale 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 ASX. This designation restricts any CDIs from being sold on ASX to U.S. persons. However, you still may freely transfer your CDIs on ASX to any person other than a U.S. person. In addition, hedging transactions regarding the CDIs may only be conducted in accordance with the Securities Act.

The Company currently is not operating an on-market buy-back of the Company's securities, and no securities were purchased on-market during the reporting period ending December 31, 2023.

VTI's securities are not traded on any other exchange other than the ASX.

The Company's Australian Company Secretary is Leanne Ralph.

Voting Rights

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 Stockholders. Options do not carry a right to vote.

CDI holders may attend and vote at the Company's general meetings. The Company must allow CDI holders to attend any meeting of stockholders unless relevant U.S. law at the time of the meeting prevents CDI holders from attending those meetings.

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 CDI Registry before the meeting;
- Inform the Company 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. Afterward, if the former CDI holder wishes to sell their investment on ASX, the holder would need to convert the Shares back to CDIs. To vote in person, the conversion from CDIs to Shares must be completed before the record date for the meeting. For information on the process of converting CDIs to common stock, please contact the CDI registry.

One of the above steps must be undertaken before CDI holders can vote at stockholder 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.

VISIONEERING TECHNOLOGIES, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Visioneering Technologies, Inc.

Opinion
We have audited the financial statements of Visioneering Technologies, Inc. (a Delaware corporation) (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Atlanta, Georgia
February 28, 2024

VISIONEERING TECHNOLOGIES, INC.

BALANCE SHEETS
As of December 31, 2023 and 2022

	December 2023	December 2022
	(in US$000, except share data)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,999	$ 3,117
Marketable securities	-	1,838
Accounts receivable, net	966	726
Inventory, net	2,161	1,857
Prepaid expenses and other current assets	1,041	957
TOTAL CURRENT ASSETS	7,167	8,495
NON-CURRENT ASSETS		
Right of use assets, net	182	255
Intangible assets, net	289	147
Other non-current assets	8	210
TOTAL ASSETS	$ 7,646	$ 9,107
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 493	$ 356
Accrued payroll	610	181
Derivative liability	-	56
Other accrued liabilities	653	798
TOTAL CURRENT LIABILITIES	1,756	1,391
LONG-TERM LIABILITIES		
Convertible notes payable	-	1,209
Other non-current liabilities	132	213
TOTAL LIABILITIES	1,888	2,813
Commitments and contingencies (Note 14)		
SHAREHOLDERS' EQUITY		
Class A common stock, par value $0.001 per share; 100,000,000 shares authorized, 52,378,773 shares issued and outstanding at December 31, 2023 and 31,329,103 shares issued and outstanding at December 31, 2022	52	31
Preferred stock, par value $0.001 per share; 5,000,000 shares authorized, no shares issued and outstanding at December 31, 2023 and December 31, 2022	-	-
Additional paid-in capital	98,168	95,274
Accumulated deficit	(92,462)	(89,011)
TOTAL SHAREHOLDERS' EQUITY	5,758	6,294
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 7,646	$ 9,107

See accompanying notes to financial statements

VISIONEERING TECHNOLOGIES, INC.

STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2023 and 2022

	Year Ended December 31,	
	2023	2022
	(in US$000, except share and per share data)	
Net revenue	$ 8,670	$ 7,285
Cost of sales	3,910	3,969
Gross profit	4,760	3,316
Operating expenses:		
Sales and marketing	3,592	3,639
Clinical and manufacturing	2,184	3,049
General and administrative	2,974	2,425
Total operating expenses	8,750	9,113
Operating loss	(3,990)	(5,797)
Other income and (expenses):		
Interest income and other, net	471	73
Interest expense	(83)	(296)
Gain (loss) on fair value of derivative liability	99	(97)
Gain on fair value of freestanding options	56	269
Loss before income taxes	(3,447)	(5,848)
Income tax expense	4	6
Net loss	$ (3,451)	$ (5,854)
Net loss per share – Basic and Diluted	$ (0.10)	$ (0.23)
Weighted average shares outstanding – Basic and Diluted	34,851,715	25,440,773

See accompanying notes to financial statements

VISIONEERING TECHNOLOGIES, INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2023 and 2022

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Number of Shares (1)	Amount US$000	US$000	US$000	US$000
Balance at December 31, 2021	23,635,500	$ 24	$ 93,178	$ (83,157)	$ 10,045
Issuance of common stock for convertible debt	6,727,609	6	1,674	-	1,680
Share awards for 2021 compensation	559,203	1	188	-	189
Share awards for 2022 compensation	406,791	-	138	-	138
Stock-based Compensation	-	-	96	-	96
Net loss	-	-	-	(5,854)	(5,854)
Balance at December 31, 2022	31,329,103	$ 31	$ 95,274	$ (89,011)	$ 6,294
Issuance of common stock for convertible debt	7,954,545	8	1,112	-	1,120
November 2023 rights offering and director placement	12,707,009	13	1,630	-	1,643
Share awards for 2022 compensation	388,116	-	52	-	52
Stock-based Compensation	-	-	100	-	100
Net loss	-	-	-	(3,451)	(3,451)
Balance at December 31, 2023	52,378,773	$ 52	$ 98,168	$ (92,462)	$ 5,758

See accompanying notes to financial statements

VISIONEERING TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	Year Ended December 31, 2023	Year Ended December 31, 2022
	(in US$000)	
Cash flows from operating activities:		
Net loss	$ (3,451)	$ (5,854)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	27	24
(Gain) loss on fair value of derivative liability	(99)	97
Change in fair value of freestanding options	(56)	(269)
Amortization of right-of-use asset	73	90
Amortization of debt discount	10	51
Stock-based compensation	100	234
Changes in assets and liabilities:		
Accounts receivable	(240)	183
Inventory	(304)	(449)
Prepaid expenses and other assets	(52)	246
Accounts payable	137	(187)
Accrued payroll	481	(214)
Other accrued liabilities	(225)	65
Net cash used in operating activities	(3,599)	(5,983)
Cash flows from investing activities:		
Purchases of marketable securities	(293)	(9,548)
Sale of marketable securities	2,131	7,710
Purchases of intangible assets	-	(4)
Net cash provided by (used in) investing activities	1,838	(1,842)
Cash flows from financing activities:		
Issuance of common stock, net of issuance costs of $141	1,643	-
Payment of note payable	-	(43)
Net cash provided by (used in) financing activities	1,643	(43)
Net decrease in cash and cash equivalents	(118)	(7,868)
Cash and cash equivalents, beginning of period	3,117	10,985
Cash and cash equivalents, end of period	$ 2,999	$ 3,117
Supplemental disclosure:		
Cash paid for interest	$ 67	$ 279
Cash paid for taxes	$ 4	$ 6
Share awards for compensation	$ 52	$ 326
Conversion of debt to equity	$ 1,120	$ 1,680
Lease liability and right-of-use asset	$ 0	$ 247

See accompanying notes to financial statements

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Visioneering Technologies, Inc. ("VTI", "we", "us", "our" or the "Company") was incorporated as a Delaware corporation on October 23, 2008. Headquartered in Alpharetta, Georgia, VTI is a medical device company that designs, manufactures, sells and distributes contact lenses. Our flagship product is the NaturalVue® (etafilcon A) Enhanced Multifocal 1 Day Contact Lens for children with Myopia (nearsightedness) and adults with Presbyopia (the progressive loss of the ability to see near that occurs in middle age). Within the United States ("US"), medical devices are regulated by the U.S. Food and Drug Administration ("FDA"), under the Federal Food, Drug, and Cosmetic Act of 1938. We obtained FDA clearance for our NaturalVue contact lenses in late 2014 and received the CE Mark, as well as Australian Therapeutic Goods Administration ("TGA") approval in early 2018, enabling us to sell our contact lenses in the United States ("US"), Europe, Australia, and New Zealand. We received approval to sell our contact lenses in Hong Kong and Singapore in 2019, in Canada in 2020, and in Malaysia in 2022.

In March 2017, we completed our Initial Public Offering ("IPO") and associated listing on the Australian Stock Exchange ("ASX"). The ASX uses an electronic system called the Clearing House Electronic Sub register System ("CHESS") for the clearance and settlement of trades on the ASX. The State of Delaware does not recognize the CHESS system of holding securities or electronic transfers of legal title to shares. To enable companies such as VTI to have their securities cleared and settled electronically through CHESS, depository instruments called CHESS Depositary Interest ("CDI"s) 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. The legal title to the shares is held by a depository, CHESS Depositary Nominees Pry Ltd. ("CDN"), which is a wholly-owned subsidiary of the ASX, and is an approved general participant of ASX Settlement.

We currently manage warehousing and distribution of our products through a contract with a Third-Party Logistics provider (the "3PL"). The 3PL stores our inventory and ships it to our customers, which include major contact lens distributors ("Customers"). These Customers generally have non-exclusive rights to market, promote, sell and distribute our products ("Products") within specified territories, provided that products shall be sold only to permitted eye care professionals ("ECPs") and shipped only to ECPs or directly to a patient, if specifically directed by the ECPs. As of December 31, 2023, VTI had entered into agreements with Customers in the US, Europe, Australia, New Zealand, Hong Kong, Singapore, Canada, Malaysia and Vietnam.

Liquidity

The accompanying financial statements have been prepared on a going concern basis, in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. To date, the Company has incurred recurring losses, negative cash flows from operations and has accumulated a deficit of $92.5 million from the Company's inception through December 31, 2023. The Company's ability to achieve profitability and positive cash flow is dependent upon its ability to increase revenue, maintain or increase profit margins, and contain its expenses.

To meet its working capital needs through the next twelve months, the Company has received a commitment from its largest shareholder confirming its intent and ability to provide financial support to the Company in the form of additional capital or debt financing to support the necessary liquidity for a year and a day from the date of the financial statements. In addition, the Company is focused on successfully implementing measures to increase revenue and contain costs, or to complete an accretive partnering transaction to ensure that it can meet its working capital needs for a full year from the date of issuance of these financial statements.

As a result, management concluded that substantial doubt has been alleviated about the Company's ability to continue as a going concern for a period of one year after the issuance of these financial statements.

Basis *of Presentation*

The Company has prepared the accompanying financial statements and notes in conformity with US GAAP. Any reference in these notes to applicable guidance is meant to refer to the authoritative US GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASUs") of the Financial Accounting Standards Board ("FASB"). Unless otherwise noted, all amounts are presented in US dollars and balances presented within tables are in thousands except share and per share data.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Examples of estimates which require management's judgment include the collectability of accounts receivable, reserve for excess or obsolete inventory, potential impairment of long-lived assets, valuation allowance for deferred tax assets, the fair value of derivatives, and the fair value of share-based awards. Management bases its estimates on historical experience and other factors which it believes to be reasonable under the circumstances. Actual results may differ from these judgments.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents and current assets and current liabilities approximate their fair value because of their short maturities. The weighted average interest rate of the Company's convertible debt approximated the rate at which the Company could obtain alternative financing; therefore, the carrying amount of the convertible debt approximated fair value. The Company used a binomial lattice model and assumptions that consider, among other variables, the fair value of the underlying stock, risk-free interest rate, volatility, expected life and dividend rates in estimating fair value for the conversion feature of the Convertible Notes (Note 6), and the ASX price to determine the fair value of the Listed Options (Note 8).

Embedded Conversion, Redemption and Preference Features

We evaluate convertible debt and preferred stock instruments under ASC 480, *Distinguishing Liabilities from Equity*, to determine the appropriate classification of the host instrument. We evaluate embedded conversion, redemption and preference features within those instruments 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, we evaluate the instrument under ASC 470-20, *Debt with Conversion and Other Options*, for consideration of any cash conversion, equity components and beneficial conversion features.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of 90 days or less when purchased. Cash and cash equivalents were $3.0 million as of December 31, 2023 and $3.1 million as of December 31, 2022. At times, cash balances may exceed the Federal Deposit Insurance Corporation insurance limit.

Marketable Securities

The Company determines the appropriate classification of its marketable securities at the time of purchase and reevaluates such designation at each balance sheet date. All of the Company's marketable securities are considered available-for-sale securities and carried at estimated fair values and reported in marketable securities. Unrealized gains and losses on available-for-sale securities, if any, are excluded from net income and reported in accumulated other comprehensive income (loss) as a separate component of stockholders' equity. On sale or change in classification, any gains or losses reported in accumulated other comprehensive income (loss) are reclassified to profit or loss. Interest income and other, net, includes interest, dividends, amortization of purchase premiums and discounts, realized gains and losses on sales of securities and other-than-temporary declines in the fair value of securities, if any. The cost of securities sold is based on the specific identification method. The Company regularly reviews all of its investments for other-than-temporary declines in fair value. The Company's review includes consideration of the cause of the impairment, including the creditworthiness of the security issuers, the number of securities in an unrealized loss position, the severity and duration of the unrealized losses, whether the Company has the intent to sell the securities or whether it is more likely than not that it will be required to sell the securities before the recovery of their amortized cost basis. When the Company determines that the decline in fair value of an investment is below its accounting basis and this decline is other-than-temporary, it reduces the carrying value of the security it holds and records a loss for the amount of such decline.

Accounts Receivable

The carrying value of accounts receivable is reduced by an allowance for doubtful accounts that reflects management's best estimate of the amounts that will not be collected. In addition to reviewing delinquent accounts receivable, management considers many factors in estimating its allowance, including historical and future data, experience, customer types, credit worthiness, and economic trends. We extend credit based on evaluation of a customer's financial condition and do not require collateral. From time to time, management may adjust its assumptions for anticipated changes in any of those or other factors expected to affect collectability. We charge provisions for doubtful accounts to operations at the time we determine these amounts may become uncollectible. Based on our review, including the implementation of ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326),* we have not recorded an allowance for doubtful accounts as of December 31, 2023 or 2022.

Inventory

Inventory is stated at the lower of cost or net realizable value with cost determined under the first in, first out (FIFO) method. We regularly review our inventory quantities on hand and related cost and record a provision for any excess or obsolete inventory based on our estimated forecast of product demand and other factors. We also review our inventory value to determine if it reflects the lower of cost or net realizable value. Based on these reviews, we recorded an increase of $50,000 to inventory reserves in the year ended December 31, 2022, and applied approximately $9,000 against the reserve for expired product in the year ended December 31, 2023. The inventory reserve was $41,000 and $50,000 at December 31, 2023 and 2022, respectively. All inventory held at December 31, 2023 and 2022 consisted of purchased finished goods.

Prepaid Expenses and Other Current Assets

Included in prepaid expenses and other current assets are approximately $500,000 of refunds due to the Company relating to the Employee Retention Tax Credit program established under the CARES Act in the U.S. The Company received notices from the Internal Revenue Service indicating that the credits were approved and that the Company should receive the refunds. The timing of receipt of the refunds is uncertain.

Intangible Assets

Intangible assets consist of patents. We capitalize legal costs and other similar fees to obtain and register patents and expense all other costs to internally develop the patents as incurred. We amortize patents over a 15-year period.

Property and Equipment

We record property and equipment at cost less accumulated depreciation and expense repairs and maintenance costs as incurred. We include depreciation expense in General and administrative expense in the Statements of Operations.

We compute depreciation expense using the straight-line method over the following useful lives:

Asset Classification	Estimate Useful Life
Computer equipment and software	3 years
Office equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of 5 years or life of the lease

Impairment of Long-lived Assets

We test long-lived assets for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that we consider in deciding when to perform an impairment review include, but are not limited to, significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If we perform an impairment review to evaluate a long-lived asset for recoverability, we compare forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset to its carrying value. We would recognize an impairment loss when estimated undiscounted future cash flows expected to result from the use of an asset are less than its carrying amount. We would base the impairment loss on the excess carrying value of the impaired asset over its fair value. No impairment charges were necessary based on our assessments for the years ended December 31, 2023 or 2022.

Revenue Recognition

We account for revenue in accordance with ASC 606, *Revenue from Contracts with Customers.* See Note 2, Revenue Recognition, for additional details on the application of this guidance.

Advertising Costs

We recognize advertising costs as an expense in the period in which we incur them. We incurred advertising expense of approximately $163,000 in 2023 and $227,000 in 2022 and included these expenses in Sales and marketing in the Statements of Operations.

Research and Development Costs

We expense research and development costs in the period in which we incur them. Research and development expenses consist of wages, benefits, and other operational costs related to our engineering, regulatory, and quality departments, clinical and nonclinical studies, materials and supplies, and third-party costs for contracted services. We incurred research and development costs of approximately $602,000 in 2023 and $1.3 million in 2022 and included them in Clinical and manufacturing in the Statements of Operations.

Stock-Based Compensation

We measure the cost of employee services received in exchange for an award of equity instruments, including stock options and restricted stock awards, based on the grant date fair value of the award and recognize such costs as compensation expense on a straight-line basis over the period the employee is required to provide service in exchange for the award, usually the vesting period.

Income Taxes

In accordance with ASC 740, *Income Taxes*, we recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities. We record a valuation allowance against our net deferred tax asset to reduce the net carrying value to an amount that is more likely than not to be realized.

We consider income tax positions for uncertainty in accordance with ASC 740-10. We believe that our income tax filing position and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position; therefore, we have not recorded any ASC 740-10 liabilities for uncertain tax positions. We will recognize accrued interest and penalties related to unrecognized tax benefits, if any, as interest expense and income tax expense, respectively, in the Statements of Operations. We do not believe that the amount of unrecognized tax benefits will significantly increase or decrease within 12 months of December 31, 2023. Given the Company's net operating losses, all years since inception are subject to review.

Significant management judgment is involved in determining the provision for income taxes, deferred tax assets and liabilities, and any valuation allowance recorded against net deferred tax assets. Due to uncertainties with respect to realization of deferred tax assets as a result of the Company's history of operating losses, we have established a valuation allowance against the net deferred tax asset balance. We based the valuation allowance on our estimates of taxable income in the jurisdictions in which the Company operates and the period over which deferred tax assets will be recoverable. If actual results differ from these estimates or we adjust these estimates in future periods, a change in the valuation allowance may be needed, which could materially impact our financial position and results of operations.

Earnings Per Share (EPS)

We calculate basic EPS in accordance with ASC 260, *Earnings per Share*, by dividing net income or loss attributable to common shareholders by the weighted average common stock outstanding. We calculate diluted EPS in accordance with ASC 260 by adjusting weighted average common shares outstanding for the dilutive effect of common stock options, warrants, and convertible debt. In periods where a net loss is recorded, we give no effect to potentially dilutive securities, since the effect would be anti-dilutive. We did not include the common stock equivalents of the Company's stock options in the computation of dilutive EPS because to do so would have been anti-dilutive.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* This ASU replaces the current incurred loss impairment methodology for financial assets measured at amortized cost with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information, including forecasted information, to develop credit loss estimates. The standard became effective for the Company on January 1, 2023. The adoption of this ASU did not have a material impact on the financial statements.

In August 2020, the FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This standard simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The standard requires entities to provide expanded disclosures about the terms and features of convertible instruments and amends certain guidance in ASC 260 on the computation of EPS for convertible instruments and contracts on an entity's own equity. The standard becomes effective for the Company on January 1, 2024. The Company does not believe the adoption of this ASU will have a material impact on the financial statements.

(2) REVENUE RECOGNITION

We sell our products to our Customers, primarily including major contact lens manufacturers and distributors. In addition to distribution agreements with Customers, we enter into arrangements with ECPs that provide for privately negotiated discounts with respect to their purchase of our products from our Customers. We then reimburse the Customers for discounts they provided on our behalf to the ECPs. Each of our current contracts consists of a master service agreement combined with specific purchase orders and each product is a performance obligation, as the promise to transfer the individual goods is separately identifiable from other promises in the contracts and therefore is distinct.

Currently, we derive all revenue from product sales. We recognize revenues from product sales at a point in time when the Customer obtains control, typically upon shipment to the Customer. We accrue for fulfillment costs when we recognize the related revenue. We exclude from revenues taxes collected from Customers relating to product sales and remitted to governmental authorities.

We record revenues from product sales at the net sales price (transaction price), which includes estimates of variable consideration related to discounts to distributors and ECPs; product returns; and patient-level rebates relating to sales of our products. We base these reserves on estimates of the amounts earned or to be claimed on the related sales. Our estimates take into consideration historical experience, current contractual requirements, specific known market events and trends, industry data, and Customer buying and payment patterns. Overall, these reserves reflect our best estimates of the amount of consideration to which we are entitled based on the terms of the contract. The amount of variable consideration included in the net sales price is limited to the amount that is probable not to result in a significant reversal in the amount of the cumulative revenue recognized in a future period. If actual results vary, we may adjust these estimates, which could impact earnings in the period of adjustment.

We will exchange returned product with replacement inventory, but typically do not provide cash refunds. We receive payments from our Customers based on billing schedules established in each contract that generally range between 30 to 90 days. We record amounts as accounts receivable when our right to consideration is unconditional. We do not assess whether a contract has a significant financing component if we expect that the Customer will pay for the product in one year or less of receiving those products.

(3) MARKETABLE SECURITIES

The following table is a summary of available-for-sale securities recorded in marketable securities in the Company's Consolidated Balance Sheets as of December 31, 2022. The Company did not hold any marketable securities as of December 31, 2023.

2022 (US$000)	Cost	Gross unrealized gains	Gross unrealized losses	Estimated Fair Value
Municipal debt securities	$ 1,838	$ -	$ -	$ 1,838

All marketable securities had a contractual maturity of one year or less as of December 31, 2022. In addition to its marketable securities, the Company held money market funds of $1.7 million and $3.0 million recorded in Cash and Cash Equivalents in the Company's Consolidated Balance Sheet as of December 31, 2023 and 2022, respectively, as they are readily convertible to cash and are subject to an insignificant risk of changes in value.

(4) INTANGIBLE ASSETS

Intangible assets consist of the following as of December 31, 2023 and 2022:

	2023 US$000	2022 US$000
Patents	$ 451	$ 282
Less accumulated amortization	(162)	(135)
Intangible assets, net	$ 289	$ 147

Amortization expense was approximately $27,000 in 2023 and $15,000 in 2022. The weighted average remaining useful life of our patents as of December 31, 2023 was 9.6 years.

We capitalize patent costs and amortize them over their estimated economic lives and perform impairment testing when qualitative factors indicate that the assets may be impaired. We identified no indications of impairment for capitalized patent costs during 2023 and 2022 and did not record impairment charges in those years.

Amortization expense for the next five years is as follows:

For the year ended December 31,	US$000
2024	$ 26
2025	26
2026	26
2027	26
2028	26
Thereafter	159
Total	$ 289

(5) PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2023 and 2022:

	2023 US$000	2022 US$000
Computer equipment and software	$ 116	$ 116
Office equipment	9	49
Furniture and fixtures	52	52
Leasehold improvements	-	12
Total costs	177	229
Less accumulated depreciation	(177)	(229)
Property and equipment, net	$ -	$ -

Depreciation expense was approximately $0 in 2023 and $9,000 in 2022.

(6) CONVERTIBLE NOTES PAYABLE

Convertible notes payable consisted of the following at December 31, 2023 and 2022:

	2023 US$000	2022 US$000
Face value of Convertible Notes	$ -	$ 1,120
Unamortized deferred financing costs	-	(10)
Derivative liability	-	99
Balance at end of period	$ -	$ 1,209

The following table presents a reconciliation of the beginning and ending balances of Convertible notes payable for the years ended December 31, 2023 and 2022:

	2023 US$000	2022 US$000
Balance at January 1,	$ 1,209	$ 2,741
Conversion of Convertible Notes to CDIs	(1,120)	(1,680)
Amortization of deferred financing costs	10	51
(Gain) loss on fair value of derivative liability	(99)	97
Balance at December 31,	$ -	$ 1,209

In July 2019, the Company entered into Note Purchase Agreements (“Convertible Notes”) with Investors raising proceeds of $3.0 million before issuance costs. The Convertible Notes were issued at face value of $1 per Note and were convertible at the election of the Note holder at any time before the maturity date to CDIs at a conversion price per CDI of $0.075 AUD. The maturity date at issuance was July 11, 2021. We extended the maturity date to July 11, 2023 in January 2020. Further, in June 2020 we adjusted the conversion price to $0.028 AUD in connection with a sale of newly issued securities to professional and sophisticated investors and to $2.80 AUD in connection with a 1:100 reverse split effective in June 2021.

The Convertible Notes bear interest at 10% per annum with interest payable quarterly in arrears. If an event of default occurs, the rate of interest will increase to 12% until such default is cured by the Company or waived by the majority of the Note holders. The Company or Note holder may elect to satisfy the whole or part of an interest payment by issuance of CDIs subject to consent of the other party. The issue price of each CDI under this clause will be the greater of the amount equal to 90% of the average volume weighted average price for the five trading days immediately preceding the date of the election notice or the conversion price. The Convertible Notes contain a prepayment penalty of 2% of the face value of the note if paid prior to the maturity date and require Note holder approval for early redemption.

In October 2020, a Note holder converted $200,000 face value of Convertible Notes and accrued interest and received 101,520 CDIs in the conversion.

In October 2022, the stockholders approved an agreement between the Company and the holders of the Convertible Notes to amend the terms of the Convertible Notes such that sixty percent (60%) of the notes totaling $1.7 million were converted to 6,727,609 CDIs at a conversion price of $0.39 AUD. The remaining forty percent (40%) of the notes were amended to set the conversion price at $0.60 AUD, reduce the interest rate from 10% per annum to 8% per annum, and extend the maturity date to June 30, 2024. Interest expense related to the convertible notes was approximately $83,000 in 2023 and $296,000 in 2022, which includes amortization of deferred financing costs.

In November 2023, the stockholders approved an agreement between the Company and the holders of the Convertible Notes to amend the terms of the Convertible Notes such that the remaining notes totaling $1.1 million were converted to 7,954,545 CDIs at a conversion price of $0.22 AUD.

The conversion feature is considered to be an embedded derivative that is not considered clearly and closely related to the debt host and therefore must be bifurcated and accounted for separately from the debt host. The Company recorded a debt discount and a conversion option liability of approximately $123,000 for the fair value of the conversion feature at issuance as well as approximately $36,000 of debt issuance costs. The Company amortized the debt discount and issuance costs over the amended four-year term of the Convertible Notes. We adjust the conversion option liability to market at each reporting period based on many factors, including changes in the share price. The derivative liability was $130,000 as of December 31, 2020. We decreased the liability to $2,000 as of December 31, 2021 and recorded a gain on the fair value of the derivative liability of $128,000 in 2021. We increased the liability to $99,000 as of December 31, 2022 and recorded a loss on the fair value of the derivative liability of $97,000 in 2022.

In conjunction with the conversion of 60% of the Convertible Notes and the extension of the maturity date for the remaining Convertible Notes, we expensed 60% of the remaining debt discount and issuance costs and extended the amortization period for the remaining 40% of the costs. We decreased the liability to $0 as of the 2023 conversion date and recorded a gain on the fair value of the derivative liability of $99,000 in 2023. In conjunction with the conversion of the remaining Convertible Notes, we expensed the remaining debt discount and issuance costs.

The Convertible Notes include covenants related to liquidity and net monthly cash flow. The Company was in compliance with all covenants throughout 2023 and 2022. The convertible debt did not affect diluted earnings per share due to the Company’s net loss position.

(7) PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

On April 24, 2020, the Company received a loan under the Paycheck Protection Program (“PPP”) administered by the US Small Business Administration (“SBA”) in the amount of $1,035,115 (“PPP Loan”).

During January 2021, the Company applied for forgiveness of approximately $921,000 of the PPP Loan. In June 2021, the SBA approved the Company’s request and granted the forgiveness, leaving a remaining balance of approximately $114,000. The remaining balance was payable in monthly installments from July 2021 through April 2022, at which time the balance was paid in full.

(8) SHAREHOLDERS’ EQUITY

Common Stock

Each holder of a share of common stock is entitled to one vote per share held. The holders of shares of common stock are entitled to dividends as declared by the Board of Directors (“Board”) of the Company.

Since its initial public offering in March 2017, the Company has raised additional capital through several means. A placement is the sale of newly issued securities to professional and sophisticated investors, or institutional investors. A security purchase plan (“SPP”) is the sale of newly issued securities to retail investors, or non-institutional holders, and is limited by ASX regulations to $30,000 AUD per investor. A rights offering is the sale of newly issued securities to existing shareholders on a pro rata basis in proportion to their existing holdings.

In April 2021, the Company completed a capital raise and issued one freestanding option for every two CDIs subscribed for, with each freestanding option having an exercise price of $3.00 AUD and an expiration date of February 28, 2024. These options are listed on the ASX (the “Listed Options”). The Listed Options are call options that are not considered clearly and closely related to the Company’s shares and must be accounted for separate from equity. The fair value of all Listed Options as of December 31, 2023 and December 31, 2022 was $0 and $56,000, respectively. We recorded a gain on fair value of freestanding options relating to the

Listed Options in the Statements of Operations of $56,000 and $269,000 in the year ended June 2023 and 2022, respectively.

In December 2023, the Company raised $1,643,000, net of $141,000 of issuance costs, in a placement to its Directors and a rights offering and shortfall facility under which it issued 12,710,009 CDIs (representing the same number of shares).

(9) LEASES

We evaluate all contracts to determine whether the contract is or contains a lease at inception. We review contracts for options to extend, terminate or purchase any right of use assets and non-lease components and account for these, as applicable, at inception of the contract. We elected the transition package of three practical expedients permitted within the standard. In accordance with the package of practical expedients, we did not reassess initial direct costs, lease classification, or whether contracts contain or are leases. We made an accounting policy election not to recognize right of use assets and liabilities for leases with a term of 12 months or less, or those that do not meet the Company's capitalization threshold, unless the leases include options to renew or purchase the underlying asset that is reasonably certain to be exercised. We recognize lease costs associated with those leases as incurred. We have chosen the practical expedient that allows entities to combine lease and non-lease components as a single lease component.

We do not recognize lease renewal options as part of the lease liability until we determine it is reasonably certain we will exercise any applicable renewal options. We have determined it is not reasonably certain we will exercise any applicable renewal options. The useful lives of leased assets as well as leasehold improvements, if any, are limited by the expected lease term.

The Company's operating lease activities currently consist of one lease for office space. The lease includes an option to renew for a period of from one to five years. The exercise of the lease renewal option is at the Company's sole discretion. The Company's operating lease agreement includes variable lease costs that are based on common area maintenance and property taxes. We expense these payments as incurred and include them in rent expense. The Company's operating lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Rent expense was approximately $130,000 in 2023 and $152,000 in 2022 and is included in General and administrative expenses in the Statements of Operations. These amounts include variable lease costs of $46,000 in 2023 and $54,000 in 2022.

Supplemental balance sheet information as of December 31, 2023 for the Company's operating lease is as follows:

	2023	2022
	US$000	US$000
NON-CURRENT ASSETS		
Right of use assets, net	$ 182	$ 255
Total lease assets	$ 182	$ 255
CURRENT LIABILITIES		
Other accrued liabilities	$ 81	$ 44
NON-CURRENT LIABILITIES		
Other non-current liabilities	132	213
Total lease liabilities	$ 213	$ 257

As of December 31, 2023, a schedule of maturity of lease liabilities under all operating leases is as follows:

For the year ended December 31,	US$000
2024	95
2025	98
2026	42
Total	235
Less amount representing interest	(22)
Present value of minimum lease payments	213
Less current portion	(81)
Non-current portion	$ 132

Cash paid for operating leases was approximately $81,000 during 2023.

As of December 31, 2023, the remaining lease term of the Company's expiring operating lease was 2.4 years. The discount rate used to determine the lease liabilities was 8%. When available, the Company uses the rate implicit in the lease or sublease to discount lease payments to present value; however, the Company's lease does not provide a readily determinable implicit rate. Therefore, the Company must estimate its incremental borrowing rate to discount the lease payments based on information available at lease commencement. The incremental borrowing rate is defined as the rate of interest that the Company would have to pay to borrow, on a collateralized basis and over a similar term, an amount equal to the lease payments in a similar economic environment.

(10) CONCENTRATIONS AND CREDIT RISK

For the year ended December 31, 2023, three Customers accounted for approximately 87.9% of our total sales. The three same Customers accounted for 81.4% of our accounts receivable as of December 31, 2023.

For the year ended December 31, 2022, three Customers accounted for approximately 89.7% of our total sales. The three same Customers accounted for 76.2% of our accounts receivable as of December 31, 2022.

We rely on a single manufacturer for production of our contact lenses.

(11) SEGMENT INFORMATION

The Company's chief operating decision maker is the Chief Executive Officer ("CEO"). While the CEO is apprised of a variety of financial metrics and information, the business is principally managed and organized based upon geography. We present our operations through two reportable segments:

North America includes our current operations in the US and Canada.

Europe / Asia-Pacific includes our operations outside of North America.

We record expenses directly attributable to these geographic segments in the segment results and include expenses not specifically attributable to the geographic segments in Corporate Support. These unallocated expenses include the majority of our clinical, manufacturing, general and administrative expenses for which we consider the expenses to benefit the Company as a whole. The Company does not report balance sheet information by segment because it is not reviewed by the Company's chief operating decision maker. We do not have any inter-segment revenue.

2023 (US$000)	**North America**	**Europe/Asia-Pacific**	**Corporate Support**	**Total**
Net revenue	$ 8,074	$ 596	$ -	$ 8,670
Cost of sales	3,521	389	-	3,910
Gross profit	4,553	207	-	4,760
Sales and marketing	3,472	120	-	3,592
Clinical and manufacturing	-	20	2,164	2,184
General and administrative	-	-	2,974	2,974
Total expenses	3,472	140	5,138	8,750
Operating income (loss)	$ 1,081	$ 67	$ (5,138)	(3,990)
Interest income and other, net				543
Loss before income taxes				$ (3,447)

2022 (US$000)	**North America**	**Europe/Asia-Pacific**	**Corporate Support**	**Total**
Net revenue	$ 6,772	$ 513	$ -	$ 7,285
Cost of sales	3,627	342	-	3,969
Gross profit	3,145	171	-	3,316
Sales and marketing	3,526	113	-	3,639
Clinical and manufacturing	-	-	3,049	3,049
General and administrative	-	-	2,425	2,425
Total expenses	3,526	113	5,474	9,113
Operating loss	$ (381)	$ 58	$ (5,474)	(5,797)
Interest expense and other, net				(51)
Loss before income taxes				$ (5,848)

(12) STOCK COMPENSATION PLANS

Stock-based compensation expense was approximately $100,000 and $96,000 for the years ended December 31, 2023 and 2022, respectively.

The Board adopted the 2008 Stock Incentive Plan ("Incentive Plan"), with an effective date of July 1, 2008. The Incentive Plan permits the granting and issuance of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Restricted Stock Units, and Stock Appreciation Rights. Under the Incentive Plan, 12,160,873 shares of common stock were authorized for share-based awards. The total number of options issued and outstanding as of December 31, 2023 and 2022 was 5,610 in both years. The Incentive Plan is the predecessor to the 2017 Plan described below. On January 18, 2017, the Board determined that no additional stock incentives would be awarded under the 2008 Incentive Plan, but stock incentives previously granted would continue to be governed by the terms of the Incentive Plan.

The Board adopted the 2017 Equity Incentive Plan (the "2017 Plan"), with an effective date of January 18, 2017. The 2017 Plan permits the granting and issuance of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock, Stock Units, Performance Awards and Stock Appreciation Rights. The total number of shares reserved for issuance under the 2017 Plan was 2,010,000 as of December 31, 2020, was increased to 3,610,500 at the Company's Annual Meeting of Stockholders in June 2022, was increased by a vote of the Board of Directors to 3,791,025 in February 2023, and was increased to 5,291,025 at a Special Meeting of Stockholders in November 2023. The share reserve may be increased each year in accordance with the 2017 Plan documents. The total number of options issued and outstanding as of December 31, 2023 and December 31, 2022 was 964,493 and 789,493, respectively. In addition, a total of 2,705,315 stock awards have been granted under the 2017 Plan through December 31, 2023. As of December 31, 2023, there were 1,621,217 awards available for grant under the 2017 Plan.

For both the Incentive Plan and the 2017 Plan (together, the "Plans"), the Board determines vesting terms and exercise price of options and defines them in a stock incentive agreement for each grant. Options generally vest over a one to four-year period from date of grant, with some grants being vested immediately upon issuance. Stock options issued to employees, directors, and consultants expire 10 years from the date of grant. Vested and unexercised shares are cancelled three months after termination, and unvested awards are canceled on the date of termination of employment and become available for future grants. Upon the exercise of stock options, the Company may issue the required shares out of authorized but unissued common stock.

Additionally, we recognize stock-based compensation expense related to stock options granted to non-employees on a straight-line basis as the stock options are earned. We issued options to non-employees, which generally vest ratably over the time period we expect to receive services from the non-employee.

We estimate the grant date fair value of each option award on the date of grant using a Black-Scholes option pricing model that uses certain assumptions. We use the ASX stock price to determine fair value of the stock on the date of grant. We base expected volatilities on historical volatility of certain comparable companies over similar expected terms, as determined by the Company. We derive the expected term of options granted using the simplified method, which is the average of the contractual term and the vesting period. We intend to use the simplified method for the foreseeable future until more detailed information about exercise behavior will be more widely available. We base the risk-free rate for periods within the expected term of the option on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is zero as there are no payments of dividends made or expected. These factors could change in the future, which would affect the stock-based compensation expense for future option grants.

Assumptions for grants in the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Risk-free interest rate	4.39%	2.41-3.27%
Expected volatility	71.0%	39.0-120.28%
Expected term (years)	5.50	6.25
Dividend rate	0.0%	0.0%

A summary of stock option activity under the Plans is as follows:

	Total Options Outstanding			Nonvested Options	
	Number of Options	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Term in Years	Number of Options	Weighted Average Grant-Date Fair Value
Outstanding at December 31, 2022	795,103	$0.90	8.48	574,706	$0.46
Grants	190,000	0.14		190,000	0.14
Cancellation / forfeitures	(15,000)	0.95		(12,250)	0.35
Vested	-	-		(186,753)	0.58
Exercised	-	-		-	-
Outstanding at December 31, 2023	970,103	$0.75	7.94	565,703	$0.51
Exercisable at December 31, 2023	404,400	$1.10	7.15		

The intrinsic value of options unexercised was approximately $5,000 and $1,000 as of December 31, 2023 and December 31, 2022, respectively. The total fair value of options vested during the year ending December 31, 2023 was approximately $108,000.

As of December 31, 2023 and 2022, there was approximately $135,000 and $220,000, respectively, of total unrecognized compensation expense related to stock option awards under the combined plans. We expect to recognize that cost over a weighted average period of 1.24 years.

In the year ended December 31, 2023, the Company granted 388,116 shares that were fully vested on the date of grant and issued to current employees under the 2017 Plan as additional compensation. The grant date fair value of the shares issued was $52,000. In addition, the Company granted 326,539 restricted shares to employees under the Company's 2022 Long-Term Incentive Plan. The shares vest over four years. The grant date fair value of the restricted shares was $44,000.

(13) EMPLOYEE BENEFIT PLAN

The Company has a 401(k) retirement plan ("401(k) Plan") for the benefit of eligible employees, as defined. Each participant may elect to contribute to the 401(k) Plan each year up to the maximum amount allowed by law, subject to certain Internal Revenue Service limitations. The Company makes matching contributions up to 100% of the participant's election not to exceed 4% of the participant's compensation. The Company contributed approximately $118,000 and $120,000 in the years ending December 31, 2023 and 2022, respectively.

(14) COMMITMENTS AND CONTINGENCIES

The Company may be subject to legal proceedings and claims which may arise in the ordinary course of its business. No such matters presently exist, and management is not aware of any such matters which may arise in the future.

In addition, the Company warrants to customers that its products operate substantially in accordance with the product's specifications. Historically, we have not incurred any significant costs related to product warranties and expect none in the future, and as such have not recorded any accruals for product warranty costs as of December 31, 2023.

(15) FAIR VALUE

The Company applies ASC 820, *Fair Value Measurements*, in determining the fair value of certain assets and liabilities. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, we use various valuation approaches. The hierarchy of those valuation approaches is broken down into three levels based on the reliability of inputs as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The valuation under this approach does not entail a significant degree of judgment.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, and contractual prices for the underlying financial instrument, as well as other relevant economic measures.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

There have been no changes in the methodologies used as of December 31, 2023 and 2022.

The Company's assets and liabilities measured at fair value on a recurring basis include marketable securities of $0 as of December 31, 2023 and $1.8 million as of December 31, 2022, the fair value of the conversion feature of the Convertible Notes and the fair value of freestanding options. We consider the factors used in determining the fair value of our cash equivalents and marketable securities to be Level 1 inputs and the fair value of the conversion feature and Freestanding Options to be Level 3 inputs.

For Level 3 instruments carried at fair value measured on a recurring basis using significant unobservable inputs, the following table presents a reconciliation of the beginning and ending balances for the years ended December 31, 2023 and 2022:

	2023 US$000	2022 US$000
Convertible notes conversion feature		
Balance at January 1,	$ 99	$ 2
Total losses (gains)– realized/unrealized	(99)	97
Balance at December 31,	$ -	$ 99
Freestanding options		
Balance at January 1,	$ 56	$ 325
Total gains – realized/unrealized	(56)	(269)
Balance at December 31,	$ -	$ 56

The unrealized gains and losses for assets within the Level 3 category presented in the tables above include changes in fair value that are attributable to both observable and unobservable inputs.

Assumptions for valuations in the year ended December 31, 2023 are as follows:

	Freestanding Options	Conversion Feature
Risk-free interest rate	3.377-4.376%	4.57-5.40%
Expected volatility	97.3-122.0%	52.0-66.0%
Expected term (years)	0.7-1.2	1.00-1.50
Dividend rate	0.0%	0.0%
Coupon rate	N/A	8.0%
Conversion price	N/A	A$0.60
Foreign exchange rates	N/A	0.662-0.689

(16) INCOME TAXES

The Company is a C-Corporation for U.S. federal income tax purposes.

The Company's income tax expense and resulting effective tax rate are based upon the respective estimated annual effective tax rates applicable for the respective periods adjusted for the effects of items required to be treated as discrete to the period, including changes in tax laws, changes in estimated exposures for uncertain tax positions and other items. Income tax positions are considered for uncertainty in accordance with ASC 740-10. Tax years remain subject to examination at the U.S. federal level between 2010 and 2018, and subject to examinations at various state levels between 2008 and 2018.

The provision for income taxes consists of the following components:

	2023 US$000	2022 US$000
Current expense		
Federal	$ -	$ -
State	4	6
Total current income tax expense	4	6
Deferred expense (benefit)		
Federal	(899)	(1,384)
State	(223)	33
Total deferred income tax benefit	(1,122)	(1,351)
Valuation allowance	1,122	1,351
Deferred income tax expense (benefit)	-	-
Total income tax expense	$ 4	$ 6

The following summarizes the Company's valuation allowance:

	2023 US$000	2022 US$000
Beginning of year	$ (21,732)	$ (20,381)
Income tax provision	(1,122)	(1,351)
End of year	$ (22,854)	$ (21,732)

Net deferred tax assets and liabilities are as follows:

	2023 US$000	2022 US$000
Deferred tax assets		
Net operating loss (NOL) carryforwards	$ 21,305	$ 20,295
R&D tax credits	950	784
Capitalized R&D costs	624	674
Inventory	10	-
Other deferred tax assets	43	62
Valuation allowance	(22,854)	(21,732)
Total deferred tax assets	$ 78	$ 83
Deferred tax liabilities		
Amortization	$ (78)	$ (83)
Total deferred tax liabilities	(78)	(83)
Net deferred income tax assets	$ -	$ -

A reconciliation from the federal statutory rate to the total provision for income taxes is as follows:

	2023		2022	
	US$000	Percent	US$000	Percent
Federal tax benefit at statutory rate	$ (725)	21.0%	$ (1,229)	21.0%
State tax expense, net of federal benefit	(218)	6.3%	38	-0.7%
Permanent items and other	(163)	4.7%	(98)	1.7%
Gain on fair value of freestanding options	(12)	0.3%	(56)	1.0%
Change in valuation allowance	1,122	-32.5%	1,351	-23.1%
Total tax expense	$ 4	-0.1%	$ 6	-0.1%

As of December 31, 2023, the Company had federal NOL carryforwards of approximately $82.3 million and state NOL carryforwards of $100.5 million ($4.0 million tax effected), that are available to reduce future income unless otherwise taxable. As of December 31, 2023, the Company has federal and state research and development (“R&D”) credits of approximately $900,000, that are available to reduce future federal and state income tax. We have not performed a study of our NOLs for limitations required by the Internal Revenue Code Section 382. Due to the ownership change as a result of the IPO, our NOLs could be subject to significant annual limitations. If not utilized, the federal and state NOL carryforwards will expire at various dates between 2024 and 2037, except that $50.9 million of NOLs originating since 2018 do not expire. The federal and state R&D credits will expire at various dates between 2023 and 2037.

(17) SUBSEQUENT EVENTS

The Company evaluated the accounting and disclosures requirements for subsequent events through February 21, 2024, the issuance date of the financial statements. On February 1, 2024, an investor purchased 704,226 CDIs (representing the same number of shares) through the shortfall facility (see Note 8) for $100,000. The shortfall facility closed on February 6, 2024, with no additional issuances. No additional events have occurred that would require adjustments to our disclosures in the consolidated financial statements.

Corporate Directory

Board of Directors

Ms. Kathleen Miller, Interim Chair and Non-executive Director
Mr. Andrew Silverberg, Non-executive Director
Dr. Dwight Akerman, O.D., MBA, Non-executive Director
Dr. Allan E. Rubenstein, MD, Non-executive Director
Dr. Juan Carlos Aragón, Chief Executive Officer and Executive Director

Management Team

Dr. Juan Carlos Aragón, Chief Executive Officer and Executive Director
Mr. Brian Lane, Chief Operating & Chief Financial Officer
Dr. Kuang-mon (Ashley) Tuan, OD, Ph.D., Chief Medical Officer

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