

ASX Announcement | 22 October 2024
Visioneering Technologies (ASX:VTI)

Visioneering Drives 10% Increase in Net Revenue in Q3 FY'24

Q3 FY'24 Operational Highlights (unaudited; amounts in U.S. dollars):

- Net Revenue: \$2.3 million (A\$3.3m), up 10% from Q3 FY'23. On a year-to-date basis, net revenue was \$6.9 million (A\$10.0m), up 3%.
- Shipments to US ECPs (Eye Care Professionals): \$2.2 million (A\$3.2m), up 5% from Q3 FY'23. On a year-to-date basis \$6.6 million (A\$9.5m), up 3%.
- Cash receipts from customers: \$2.3 million (A\$3.3m), down (21)% from Q3 FY'23. On a year-to-date basis, \$7.0 million (A\$10.1m), down (2.4)%.
- Net cash used in operating activities: (\$0.6 million) (A\$0.8m), a 39% increase from Q3 FY'23. On a year-to-date basis, (\$1.8 million) (A\$2.6m), a 12% improvement.
- Gross margin: 58.4%, up from 57.0% in Q3 FY'23. On a year-to-date basis, 57.2% up from 54.3%.

Visioneering Technologies, Inc. (ASX: VTI) ('Visioneering', 'VTI' or 'the Company'), producer of the NaturalVue® Multifocal 1 Day Contact Lenses, today announced its unaudited results for the quarter ended 30 September 2024 (Q3 FY24). The Company's fiscal year coincides with the calendar year. Amounts are presented in U.S. dollars, except as otherwise noted.

Net revenue for the quarter was \$2.3 million, which is the 2nd highest quarter since Q2 of 2023. Shipments to US ECPs were \$2.2 million, up 5% over Q3 last year. Shipments to US ECPs are an internal measure of patient-level demand reflecting sales from the Company's distributors to ECPs in the U.S. at the price VTI supplies those products to its distributors.

Net revenue year-to-date was \$6.9 million, an increase of 3% from the prior year. Shipments to US ECPs year-to-date were \$6.6 million, up 3% from the prior year.

VTI CEO and Executive Director Dr. Juan Carlos Aragón said: We have made significant progress in realigning our US sales team by adding more salespeople, strengthening our sales management, and refining our promotional messaging. These efforts are driving positive results, as shipments to US eye care practitioners (ECPs) are growing again. Notably, Q3 2024 exceeded both Q2 2024 and Q3 2023 in terms of shipments, and our year-to-date (YTD) performance as of Q3 has surpassed the YTD results from 2023. I'm pleased that the team has delivered growth in shipments to US ECPs over comparable periods."

Table 1: Q3 FY'24 and Q3 FY'23 key metrics

(U.S.\$ in 000's, unaudited)	Q3 FY'24	Q3 FY'23	Q3 FY'24 vs Q3 FY'23
Net Revenue (A)	\$2,282	\$2,079	10%
Shipments to US ECPs (B)	\$2,239	\$2,132	5%
Cash receipts from customers (A)	\$2,277	\$2,884	(21)%
Net cash (used in) operating activities	(\$553)	(\$397)	(39)%
Gross margin	58.4%	57.0%	n/a
Active US Accounts (C)	2,272	2,303	(1)%
Shipments to US ECPs per Active US Account	\$985	\$926	7%
Repeat Customer Rate (D)	99.4%	99.4%	n/a

Table 2: Q3 FY24 YTD and Q3 FY23 YTD key metrics

(U.S.\$ in 000's, unaudited)	Q3 FY'24 YTD	Q3 FY'23 YTD	Q3 FY'24 vs Q3 FY'23 YTD
Net Revenue (A)	\$6,922	\$6,750	2.5%
Shipments to US ECPs (B)	\$6,604	\$6,410	3%
Cash receipts from customers (A)	\$6,970	\$7,144	(2.4)%
Net cash (used in) operating activities	(\$1,827)	(\$2,085)	(12)%
Gross margin	57.2%	54.3%	n/a

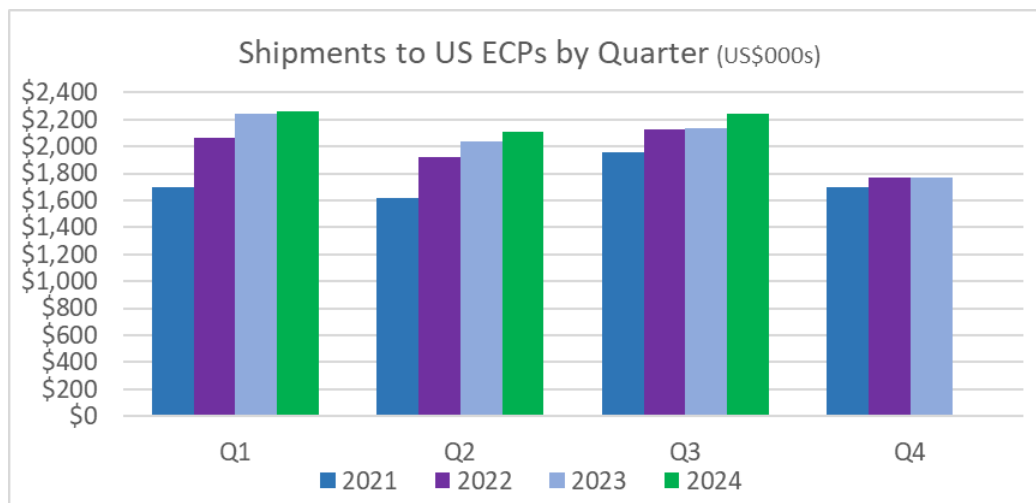
(A) Includes international results.

(B) Shipments to US ECPs represent the gross revenue equivalent of lenses shipped to ECPs located in the U.S., net of fulfillment fees.

(C) Active US Accounts are ECPs located in the U.S. that purchased VTI products during the quarter.

(D) Repeat Customer Rate is the percent of prior quarter Active US Accounts that purchased in the current quarter. A rate in excess of 100% indicates that accounts purchased in the current quarter and in a quarter prior to the previous quarter but not in the previous quarter.

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



Gross margin was 58.4% in the third quarter, up from 57.0% in Q3 FY'23. On a year-to-date basis, Gross margin was 57.2%, up from 54.3%. The improvement was primarily due to lower per unit costs for products sold, and minor price increases implemented at the beginning of FY'24.

Cash and Cash receipts

Net cash used in operating activities was \$0.6 million in the third quarter, a 39% increase compared with net cash used of \$0.4 million in the third quarter last year. On a year -to-date basis, Net cash used in operating activities was \$1.8 million, an improvement of 12% compared with net cash used of \$2.1 million. The increase in the net cash used in the current quarter was primarily due to lower cash receipts from customers offset by lower inventory purchases. The lower cash receipts from customers were related to one customer who changed its payment processes during the quarter, resulting in a delayed payment that VTI received in early October 2024. Without this delay, net cash used in operating activities would have improved by 41%.

VTI finished the third quarter with \$1.3 million in cash and cash equivalents. Based on our forecasted net cash use, we believe our current cash is sufficient to finance our operations through 2024 and into the first quarter of 2025. We plan to explore additional financing to support our long-term strategic plan.

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

Clinical Projects

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

The previously announced interim 1-year results have been trending positively against the major competitor's reported outcomes. PROTECT is concluding its second-year follow-up visits, with results to be analyzed and shared in early 2025. The clinical trial is scheduled for full completion by the end of 2025.

Global Expansion

In the third quarter, VTI signed a new distribution agreement with a partner in the Netherlands and Belgium. The Company is negotiating with additional partners for distribution rights in Germany, Austria, Switzerland, and South Korea. The company's CEO and CMO recently attended the International Myopia Conference in China to learn about the latest market conditions in China. VTI continues to work with several partners to identify the most expeditious and financially attractive route to regulatory approval and establishing distribution in China. With the announcement of the interim 1-year results of the PROTECT Randomized Clinical Trial, we have seen increased interest from our potential partners. We are working diligently to finalize these negotiations and begin selling in these new markets.

VTI CEO and Executive Director Dr. Juan Carlos Aragón commented further: "We are very pleased with the sales team's ability to leverage the interim 1-year results of the PROTECT Randomized Clinical Trial to build momentum in the US market. These interim results have also

been instrumental in expanding our international distribution. We've made meaningful progress in strengthening strategic partnerships and deepening business relationships with eye care practitioners globally, which will help sustain this momentum moving forward."

Ends.

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

For more information, please contact:

<i>Company</i>	<i>Investor and media relations</i>
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Invitation To Join Investor Conference Call

Investors are invited to join a conference call on Thursday, 24 October 2024, at 8 AM AEST (Wednesday, 23 October 2024, 5 PM EDT) hosted by VTI's CEO, Dr. Juan Carlos Aragón.

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

<https://s1.c-conf.com/diamondpass/10042883-hg76t5.html>

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

Conference ID: 1004 2883

Participant dial-in numbers

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

About Visioneering Technologies

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

Foreign ownership restrictions

VTI's CHESS Depositary Interests (**CDIs**) are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (**Securities Act**) for offers which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. As a result of relying on the Regulation S exemption, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person for the foreseeable future except in very limited circumstances after the expiration of a restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a 'FOR US' designation on the Australian Securities Exchange (**ASX**). This designation restricts any CDIs from being sold on ASX to US persons. However, you are still able to freely transfer your CDIs on ASX to any person other than a US person. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

Forward-Looking Statements

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

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

Given the current uncertainties regarding the ongoing impact of COVID-19 on the trading conditions impacting VTI, the financial markets, and the health services worldwide, there can be no assurance

that future developments will be in accordance with VTI's expectations or that the effect of future developments on VTI will be those anticipated.

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

VTI-IR-ASX100

Appendix 4C

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

Name of entity

Visioneering Technologies, Inc.

ABN

616 156 248

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
1. Cash flows from operating activities			
1.1 Receipts from customers		2,277	6,970
1.2 Payments for			
research and development		(186)	(725)
product manufacturing and operating costs		(1,028)	(2,390)
advertising and marketing		(274)	(950)
leased assets		-	-
staff costs		(929)	(3,166)
administration and corporate costs		(429)	(1,636)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		16	70
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(553)	(1,827)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities		-	-
businesses		-	-
property, plant, and equipment		-	-
investments		-	-
intellectual property		-	-

Appendix 4C

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

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

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,825	2,999
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(553)	(1,827)

Appendix 4C

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

4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	100
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,272	1,272

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	250	250
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Short-term investments	1,022	1,575
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,272	1,825

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter US\$'000
78
-

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

Appendix 4C

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
-	-
-	-
-	-
-	-

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

-

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

8. Estimated cash available for future operating activities

US\$'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

(553)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

1,272

8.3 Unused finance facilities available at quarter end (Item 7.5)

0

8.4 Total available funding (Item 8.2 + Item 8.3)

1,272

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

2.30

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

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

Answer:

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

Answer:

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

Answer:

Compliance Statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22 October 2024

Authorised by: Jeff Pruett, Vice President, Finance
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed, and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.