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ASX Announcement

Visioneering Technologies, Inc. Reports Q2 2018 Results

Atlanta, Georgia, USA 26 July 2018 (27 July 2018 AT): Visioneering Technologies, Inc (ASX: VTI), a US-based medical device company ('Visioneering' or 'The Company') engaged in the design, manufacture, sale and distribution of its proprietary NaturalVue® Multifocal 1 Day Contact Lenses is pleased to release today its Appendix 4C – Quarterly Cash Flow for the period ended 30 June 2018 (2Q18), and a mid-year update.

Our flagship product is the revolutionary NaturalVue® Multifocal 1-Day contact lens, which is used by Eye Care Professionals (ECPs) in the US, and soon outside the US, for the treatment of Presbyopia and Progressive Pediatric Myopia. Presbyopia is the loss of ability to see things up close as one ages, and Progressive Pediatric Myopia is nearsightedness in children. The Company also markets the NaturalVue® Sphere 1-Day contact lens for the correction of simple distance vision deficiencies. VTI completed its Initial Public Offering on ASX in March of 2017.

Strong, Consistent Demand and Performance at the User Level

Shareholders will recall that in 3Q17, we switched from selling our contact lenses directly to ECPs to selling our contact lenses to major contact lens fulfillment partners, who in turn sell the lenses to ECPs. These partners handle the fulfillment logistics (stocking, handling, shipping, invoicing, credit, etc.) associated with those orders. This is the typical mode of operations for all the major contact lens companies in the United States, and our fulfillment partners are market leaders in the US.

Since listing, VTI has updated the market quarterly on its Net Revenue, which was the best measure of progress available to VTI. However, Quarterly Net Revenue is only a rough approximation of underlying demand from ECPs for our lenses, because the Net Revenue figure is affected by accruals and by the timing of stocking purchases by our fulfillment partners.

With the cooperation of our fulfillment partners, we now have more reliable data on product being shipped from our fulfillment partners to ECPs. We feel that shipments to ECPs is a clearer reflection of the underlying growth in demand and usage by prescribers and wearers of NaturalVue lenses. Using this shipment information, we calculate VTI's Gross Revenue equivalent of lenses shipped to ECPs from the fulfillment companies. We refer to this value as "Shipments to ECPs". Moving forward, we will update the market quarterly with both Net Revenue and Shipments to ECPs. As we have not reported this information previously, we present below the measures for each quarterly period beginning in the first quarter of 2017.

| | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net Revenue | \$117,102 | \$181,759 | \$354,322 | \$395,795 | \$555,112 | \$607,202 |
| Shipments to ECPs* | \$124,530 | \$193,990 | \$277,437 | \$326,227 | \$489,143 | \$683,218 |
| Growth in ECP purchases | | 56% | 43% | 18% | 50% | 40% |

*For 1Q17 and 2Q17, Shipments to ECPs represents dollar value of lenses shipped to ECPs gross of fulfillment fees. Shipments to ECPs from 3Q17 onwards represent dollar value of lenses shipped to ECPs from the fulfillment company, net of fulfillment fees.

As shown in the table above, VTI has experienced strong and consistent quarter-on-quarter growth in product shipments since IPO, even in the December quarter, when industry-wide contact lens sales growth rates are typically stagnant or negative due to the US holiday period. We feel that this growth demonstrates that there is a true medical need for our contact lenses, and that NaturalVue lenses are fulfilling those needs for patients.

Growth in shipments to ECPs is preceded by growth of Active Accounts, which are accounts that ordered product in the quarter. In 2Q18, Active Accounts grew to 1,149, a 22% increase over 1Q18. Our operational emphasis is now shifting towards increasing revenue within current accounts versus starting new accounts. Investors will recall that we are targeting \$5,000-\$12,000 per mature account per annum, with maturation of an account expected to take 2-4 years.

With regard to developing revenue in our new accounts, we are already seeing early success. At the close of 2Q18, there were 269 accounts with \$2,000 or more in purchases in the trailing twelve months, and 84 accounts with more than \$5,000 in purchases in the trailing twelve months. We will be very focused in the coming months on further accelerating revenue growth within the accounts that were initiated over the past few quarters, a goal that is helped by our recent introductions of new products, increasing awareness of our brand, and the benefit of in-market learning and experience over the past few quarters.

With the success of our field sales professionals (Territory Managers, or TMs) in starting accounts and growing Shipments to ECPs, we feel that our best investment of resources over the next 12 months will be growing and maximizing sales in our current accounts using our current roster of TMs versus adding to the roster of TMs. We will, however, continue to evaluate the timing for investing in new TMs.

New Product Launches

In June, the Company launched two new products. These new products give our TMs additional offerings for, as well as mindshare of, ECPs.

In our core NaturalVue MF line, we expanded our parameters to include plus powers. This addition completes our NaturalVue MF line and makes VTI the only company to offer a full range of MF lenses in 0.25 power increments across a broad range of patients' needs.

June also saw VTI launch NaturalVue EnHANCED Sphere contact lenses, a product developed in response to requests from ECPs wanting a more comfortable sphere lens that is better optimized for the US population. Sphere lenses are the most prescribed type of lens in most eye care practices. In our prelaunch clinical testing, our NaturalVue EnHANCED Sphere demonstrated excellent comfort and vision, and initial demand for NaturalVue Sphere is strong.

Our design iteration and clinical testing of NaturalVue Toric is ongoing. We will continue to develop the Toric lens, as its development is gating to the revolutionary NaturalVue Multi-Focal Toric, but we will likely wait to launch Toric until NaturalVue Multi-Focal Toric is ready for launch in 2019. This timing allows for the focus of resources for the next 12 months to be on our core Multi-Focal and Sphere products.

Growing Body of Clinical Data

In January 2018, three internationally recognized clinical researchers, Drs. Thomas Aller, Jeff Cooper, and Brett O'Conner, presented data at the Global Specialty Lens Symposium on nearly 100 children showing a 97% slowing of myopia progression in children wearing NaturalVue MF contact lenses.

Striking in this data were both the magnitude of effect, and the consistency in results between the three practices. Data of this type continues to broaden awareness of the potential utility of NaturalVue MF in myopia progression and drive inbound enquiry from practitioners both in the US and globally. We expect ECPs to continue to publish data on NaturalVue MF in the coming periods as their data sets expand, and as they find new uses for our multi-focal contact lenses.

International Markets

VTI is advancing its efforts towards an international launch of the NaturalVue lineup in 2018. We are focusing those efforts on Europe, Australia, New Zealand, and Hong Kong. We plan to use distribution partners for our international expansion in order to leverage the existing infrastructure that has been built by distributors in those regions. Expansion into Japan and China will require further regulatory clearances, and we expect to enter those markets in the future via strategic partnerships.

Welcome of CFO Brian Lane

VTI has welcomed Brian Lane as our Interim Chief Financial Officer, replacing Mark Rapoport. Brian is an experienced executive, having served in CFO or senior finance roles in public companies Blimpie International, IVI Checkmate, Atlanticus Holdings, Altisource Portfolio Solutions, NexCen Brands, and PRGX Global. He was most recently CFO at the private equity backed company Onepath Systems LLC, a company with \$180M in annual revenue.

“As always, we are very appreciative of the support of our shareholders, our employees, our Board of Directors, and our clinical partners”, said Stephen Snowdy PhD, CEO of VTI. “We are proud of what we have accomplished in the first half of 2018 in terms of growth in product shipments, accounts, and revenue, as well as new clinical evidence, brand awareness, and international regulatory approvals. We look forward to keeping the market updated with our progress as we continue to build the company and help patients see better”.

Investor Conference Call

Investors are invited to join a conference call on Friday, 27 July at 10.30am AEST (Thursday, 26 July 8.30pm US EDT) hosted by Visioneering’s CEO, Stephen Snowdy.

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

<https://services.choruscall.com.au/diamondpass/vtvision-723615-invite.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: 726 615

Participant Dial In Numbers

| | |
|--------------------------------|---------------|
| Australia Toll Free: | 1 800 558 698 |
| Alternate Australia Toll Free: | 1 800 809 971 |
| Australia Local: | 02 9007 3187 |
| Canada: | 1855 8811 339 |
| Japan: | 0053 116 1281 |
| New Zealand Toll Free: | 0800 453 055 |

| | |
|-------------------------|----------------|
| United Kingdom: | 0800 051 8245 |
| United States: | (855) 881 1339 |
| US Local (New York): | (914) 202 3258 |
| US Local (Los Angeles): | (909) 235 4020 |

For more information, please contact:

| <i>Company</i> | <i>Investor and media relations</i> |
|---|--|
| Stephen Snowdy CEO, Visioneering Technologies, Inc. Email: ssnowdy@vtivision.com | Kyahn Williamson WE Buchan Tel: +61 (3) 9866 4722 Email: kwilliamson@buchanwe.com.au |

About VTI:

Visioneering Technologies, Inc. (VTI) is a US-based medical device company primarily engaged in the design, manufacture, sale and distribution of a revolutionary new contact lens: the NaturalVue® Multifocal (MF) contact lens. The NaturalVue MF contact lens employs VTI's Neurofocus Optics® technology, which was developed, refined and tested over many years. The characteristics of the NaturalVue MF contact lens allow it to be used in two of the largest eye-care markets globally: adults with presbyopia (age-related difficulty in seeing close objects) and children with myopia (near-sightedness, or difficulty seeing distant objects).

NaturalVue lenses were cleared by the FDA in late 2014 and VTI recently commenced its US market expansion for NaturalVue MF contact lenses, following a successful pilot US market launch in 2015 and 2016. VTI also sells and plans additional contact lens products.

Foreign ownership restrictions:

VTI's CHES Depository 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Visioneering Technologies, Inc.

ABN

616 156 248

Quarter ended ("current quarter")

June 30, 2018

| Consolidated statement of cash flows | | Current quarter US\$'000 | Year to date (6 months) US\$'000 |
|--------------------------------------|---|-----------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | 578 | 1,211 |
| 1.2 | Payments for | | |
| | (a) research and development | (584) | (808) |
| | (b) product manufacturing and operating costs | (1,649) | (2,790) |
| | (c) advertising and marketing | (405) | (883) |
| | (d) leased assets | - | - |
| | (e) staff costs | (2,251) | (4,602) |
| | (f) administration and corporate costs | (799) | (1,656) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 41 | 84 |
| 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 | (5,069) | (9,444) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | - | (1) |
| | (b) businesses (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) intellectual property | (26) | (40) |
| | (e) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | (a) property, plant and equipment | - | - |

| Consolidated statement of cash flows | | Current quarter US\$'000 | Year to date (6 months) US\$'000 |
|---|--|-------------------------------------|---|
| | (b) businesses (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) intellectual property | - | - |
| | (e) 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 | (26) | (41) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | - |
| 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 | - | - |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of quarter/year to date | 12,194 | 16,584 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (5,069) | (9,444) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (26) | (41) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of quarter | 7,099 | 7,099 |

| 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 (#) | 6,849 | 11,944 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 7,099 | 12,194 |

U.S. Treasury bills, notes, and other high-quality, short term securities that are issued or guaranteed by the U.S. government or by U.S. government agencies.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter US\$'000 |
|-------------------------------------|
| 61 |
| - |

| |
|--|
| |
|--|

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter US\$'000 |
|-------------------------------------|
| - |
| - |

| |
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| |
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8. Financing facilities available
Add notes as necessary for an understanding of the position

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

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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

| |
|--|
| |
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9. Estimated cash outflows for next quarter

US\$'000

| | | |
|------------|---|--------------|
| 9.1 | Research and development | 672 |
| 9.2 | Product manufacturing and operating costs | 586 |
| 9.3 | Advertising and marketing | 416 |
| 9.4 | Leased assets | - |
| 9.5 | Staff costs | 2,167 |
| 9.6 | Administration and corporate costs | 611 |
| 9.7 | Other (provide details if material) | - |
| 9.8 | Total estimated cash outflows | 4,452 |

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

Acquisitions

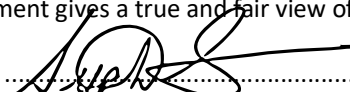
Disposals

| | | | |
|------|---|-----|-----|
| 10.1 | Name of entity | N/A | N/A |
| 10.2 | Place of incorporation or registration | | |
| 10.3 | Consideration for acquisition or disposal | | |
| 10.4 | Total net assets | | |
| 10.5 | Nature of business | | |

Compliance statement

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

Sign here:


 (Director/Company secretary)

Date: 26 July 2018

Print name:

Stephen Snowdy

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.