

ASX Announcement | 8 October 2019
Visioneering Technologies (ASX:VTI)

Visioneering Revises Fiscal Year 2019 Revenue Guidance

Atlanta, Georgia, Tuesday, 8 October 2019: US-based medical device company and producer of the NaturalVue® (etafilcon A) Multifocal 1 Day Contact Lenses ('NaturalVue MF') **Visioneering Technologies, Inc (ASX: VTI)** ('Visioneering' or 'the Company') has revised its Fiscal Year 2019 (FY2019) revenue guidance.

The Company had previously forecasted year-over-year net revenue growth between 97% and 128% compared to Fiscal Year 2018. With three quarters of the year now known, and certainty recently gained around terms of the Company's first strategic transaction, the Company now forecasts year-over-year growth in net revenue between 73% and 79%, or net revenue between US\$5.7 million-US\$5.9 million.

The Company's previous guidance range for net revenue for FY2019 was based materially on several assumptions, including:

- Initiation of sales in Canada in the June quarter
- Initiation of sales in Hong Kong in the beginning of the September quarter
- Growth of sales in Europe
- Growth of sales in the US

Visioneering completed a key step in the regulatory process in the March 2019 quarter for entry into Canada. However, backlogs of regulatory approvals continue to delay our launch in Canada. Similarly, Visioneering received its Certificate of Listing and launched product in Hong Kong much later than anticipated. While the Company recently recorded its first sales in Hong Kong and clearance for Canada could still arrive in FY19, the potential for FY19 net revenue from these markets is lower than anticipated.

The Company recently announced its first major strategic partnership with Menicon for private labeling in Europe. The minimum size of Menicon's stocking order is US\$475,000, which VTI expects to receive as cash during the December 2019 quarter. Revenue for this initial stocking order will be recognized by VTI upon delivery of the lenses to Menicon, which is expected to occur in the December 2019 quarter, subject to regulatory approval. If the regulatory approval or delivery of the lenses are delayed, the related recognition of revenue would be pushed into FY2020 (resulting in lowering the bottom of the estimated net revenue range to \$5.2 million, or 58% year-over-year growth).

Growth in the US during the September quarter 2019 was strong, albeit the Company did not meet its expectations of growth in the US during the quarter. Growth in Active US Accounts averaged 171 accounts per quarter for the first three quarters of 2019, slightly below the forecast range of between 175 and 225 accounts per quarter. Growth in revenue per account during the first three quarters of 2019 averaged US\$45, compared to the forecast range of between US\$65 and US\$95 per active account per quarter. The lower growth in revenue per active US account during the year to date period is primarily due to turnover in under-performing territories, which have a disproportionate effect on the average growth in revenue per active US account.

VTI expects to issue its Appendix 4C for the September quarter 2019 in the near future. The unaudited and approximate key metrics that will be communicated in the Appendix 4C are as follows:

Net revenue in the September quarter 2019 grew by 25% quarter over quarter (QoQ) to US\$1.5 million, and by 39% over the prior corresponding period (pcp), while cash received from customers grew by 30% QoQ and 47% over pcp. Shipments to US Eye Care Professionals (ECPs) grew by 15% QoQ and 58% over pcp. Active US Accounts grew by 8% in the quarter to 2,002 accounts, while the repeat customer rate grew to 96.7%. VTI ended the quarter with US\$4.9 million in cash and cash equivalents, and is already in discussions with parties regarding additional funding.

Visioneering Technologies CEO Stephen Snowdy, PhD, said: “Visioneering has driven strong growth in its revenue since its expansion began in 2017. Through our international approvals and partnerships, we have laid the groundwork for future growth of the Company. Our historic growth and partnerships validate the clinical utility of the NaturalVue line of contact lenses, and we remain confident in our future growth. Internationally, we will continue expansion as fast as the regulatory and political environments allow.”

Ends.

For more information, please contact:

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About Visioneering Technologies

Visioneering Technologies Inc. (ASX:VTI) is an innovative eye care company committed to redefining vision. Since its founding in 2008, Visioneering has brought together clinical, marketing, engineering, manufacturing and regulatory leaders from top vision care businesses to provide new solutions for presbyopia, myopia and astigmatism.

Headquartered in the US, Visioneering designs, manufactures, sells and distributes contact lenses. Its flagship product is the NaturalVue® Multifocal contact lens, and VTI has expanded its portfolio of technologies to address a range of eye care issues. The company has grown operations across the United States, Australia and Europe and is expanding into Asia with a focus on markets with high rates of myopia.

Foreign ownership restrictions

VTI’s CHESSE 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.

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.

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.

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