

ASX Announcement | 2 April 2020
Visioneering Technologies (ASX:VTI)

Visioneering Market Update for COVID-19

Highlights

- Shipments to US ECPs in 1Q FY2020 expected to increase 20% over 4Q19 to a record US\$1.62m
- Cash on hand expected to allow the Company to operate into the fourth quarter of 2020
- Reduction in force has been implemented to position the Company for the global economic effects of COVID-19

Atlanta, Georgia, Thursday, 2 April 2020: US-based medical device company and producer of the NaturalVue® (etafilcon A) Multifocal 1 Day Contact Lenses, **Visioneering Technologies, Inc (ASX: VTI)** ('Visioneering' or 'the Company'), is providing a market update as well as information to investors regarding the impact of the COVID-19 global pandemic on its business.

Business Update

In the first quarter of 2020, Visioneering expects to report record Shipments to US Eye Care Professionals ("Shipments") of its NaturalVue contact lenses in 1Q20. The Company expects Shipments to have increased 20% over that of 4Q19 to US\$1,620,000 (unaudited and approximate), despite the emergence of the COVID-19 crisis. Visioneering expects Cash receipts from customers to be US\$1,259,000, representing a decrease of 8% from 4Q19 when excluding the US\$476,000 received from Menicon in 4Q19, or a decrease of 32% inclusive of the Menicon payment received in 4Q19. The Company expects Net Revenue in 1Q20 to decrease 7% to US\$1,348,000 compared to 4Q19 excluding the US\$476,000 received from Menicon in 4Q19, or to decrease 30% inclusive of the payment received from Menicon in 4Q19. Cash receipts and net revenue were impacted by the timing of inventory purchases versus Shipments at the distributors and the Menicon purchase.

While demand for Visioneering's contact lenses remained strong in 1Q20 and Shipments in the US exhibited strong growth in the quarter, the Company expects a decrease in demand and Shipments to occur in 2Q20 as more jurisdictions within the United States and worldwide issue Shelter-In-Place orders and elective medical visits and procedures face restrictions. Like many companies, Visioneering expects contraction in sales of its products in 2020, though the magnitude of the decrease is impossible to predict at this time.

In 1Q20, Visioneering also received its regulatory clearance for Canada for all of its current and anticipated products. The Company expects to expand into Canada in 2020 as soon as conditions permit. The launch of Menicon Bloom Day in Europe, Menicon's private label of NaturalVue MF, will likely be slowed until Europe returns to normal commerce.

With the length and severity of impact of the COVID-19 pandemic on capital markets and sales unknown, Visioneering has implemented a reduction of its workforce effective immediately. As of 1 April 2020, the company has reduced its force by 22 of its 42 employees. The Company expects the reduction in force and other cost-saving measures to allow current cash on hand to fund operations until approximately the beginning of October 2020, assuming steep declines in sales in the second

quarter, and the beginnings of a recovery in the third quarter. If the economic impacts of COVID-19 are deeper or last longer than anticipated, it is possible that the Company’s current cash will be depleted prior to the fourth quarter of 2020. Through its normal course of business, Visioneering continuously evaluates fund raising and strategic partnering opportunities, and these activities will continue. Additionally, the Company is exploring government-sponsored disaster relief programs aimed at small businesses, and plans to take advantage of any appropriate funding opportunities that arise.

The Company retained 11 of its 30 Sales and Marketing staff members. The Company also retained all personnel and systems necessary to maintain regulatory and quality compliance, ensuring critical sales and support to the Company’s current eye care professionals, patients, and its international partners.

Additional cash savings will be achieved by delaying the launches of new products, delaying clinical projects, and through reductions of cash salaries. The Company will reconsider launches of new products and clinical projects as capital markets and international economies recover. The Company plans to continue its development of sales and distribution partners for international territories, such as Singapore, Malaysia, Hong Kong, and others.

Visioneering Technologies CEO Stephen Snowdy, PhD, said: “We are sad to have taken this step and will support those affected by the reduction in force the best we can. However, the reduction in force leaves Visioneering better situated to weather the uncertainties related to the current capital markets and global economies, while preserving the core from which we will regrow after the pandemic. We will continue to make NaturalVue contact lenses available, and will continue to service our partners, practitioners, and patients. We remain committed to international expansion, new products, and to improving the vision of adults and children, and will return to our growth plans as soon as conditions allow.”

Ends.

This release was authorised by the CEO as described below.

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.

To learn more, please visit: www.vtivision.com

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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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