

14 April 2023, Australia

ASX RELEASE**ENTERPRISE SALES & TCV UPDATE**

Vection Technologies Ltd (ASX:VRI, OTC:VCTNY), the INTEGRATEDXR[®] company, is pleased to update the market on its enterprise sales activities and FY23 Total Contract Value (TCV) as of 14 April 2023.

HIGHLIGHTS:

- Vection Technologies increases its FY23 Total Contract Value (TCV) metric to ~\$16 million.
- TCV increases by ~60% compared to the TCV metric announced on 31 January 2023.
- TCV increase attributed to various clients in the Public Sector & Education, and Service Agencies sectors, including an increase in scope from Trenitalia (ASX: 26 November 2020), across the entirety of the Company's INTEGRATEDXR[®] workflow.
- Company continues to invest in technology, sales channels, global partnerships, and organizational infrastructure development.
- Strong outlook for fiscal 2023 ahead of revenue guidance.

OVERVIEW:

The progression of the Company's global expansion leveraging its INTEGRATEDXR[®] suite has delivered further growth in its FY23 Total Contract Value (TCV) to ~\$16 million at 14 April 2023, up by ~60% compared to the TCV metric announced on 31 January 2023. This increase in TCV further builds up on the growth and scale expected for the second half of fiscal 2023, expected to generate a revenue guidance of \$24 to \$26 million.

This increase in TCV is attributable to various clients in the Public Sector & Education, and Service Agencies sectors, including an increase in scope from Trenitalia (ASX: 26 November 2020), across the entirety of the Company's INTEGRATEDXR[®] workflow.

Furthermore, the TCV metric includes, among others:

- previously announced clients including Ferretti (ASX: 22 January 2019), Muner (ASX: 12 December 2019), Volkswagen (ASX: 11 May 2020), Giorgio Armani (ASX: 29 June 2020), Olivetti (19 November 2020), Trenitalia (ASX: 26 November 2020), and Mutti (ASX: 23 December 2020).
- the award of a major defence pilot order of ~\$1 million, for a top ten largest defence contractor in the world and the Company's first entry into the production chain of the authorised NATO Tempest producers. (ASX: 2 March 2023)
- the development of virtual Reality (VR) gaming, educational and scientific content to promote the space travel market and educate the next generation (ASX: 2 February 2023), following a memorandum of understanding executed with Thales Alenia Space, Next One Film Group and ALTEC, where Vection Technologies has been appointed as exclusive provider of VR and metaverse technologies. (ASX: 25 January 2023)

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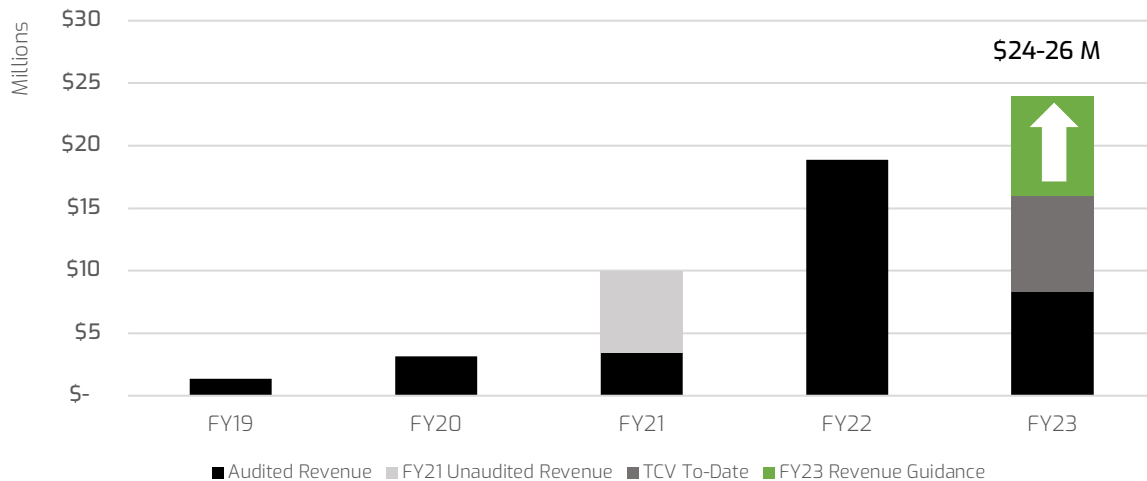
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The Company notes the continuation of its growth strategy leveraging its INTEGRATEDXR[®] workflow and solutions suite, to build an end-to-end digital transformation client strategy, stemming from critical ICT infrastructure and leading to the incremental development and adoption of industry specific extended reality (XR) applications.

VECTION TECHNOLOGIES' HISTORICAL REVENUE, TCV AT 14 APRIL 2023, AND FY23 REVENUE GUIDANCE:



Furthermore, the Company notes the progression in the development of its INTEGRATEDXR[®] technology stack with a strong focus on patent protection and the assessment of new technology integrations, including a partnership with expert.ai (EXAI:IM), a leading company in artificial intelligence (AI) for language understanding and language operations, regarding their partnership to create an extended reality (XR) / AI - powered solution for digitalizing technical manuals.



Image 1: the INTEGRATEDXR[®] workflow.

The commercial delays occurred during Q2 fiscal 2023 have generated a strong uplift in sales activity during Q3 and at the start of Q4, expected to generate further growth towards the financial objectives for FY23.

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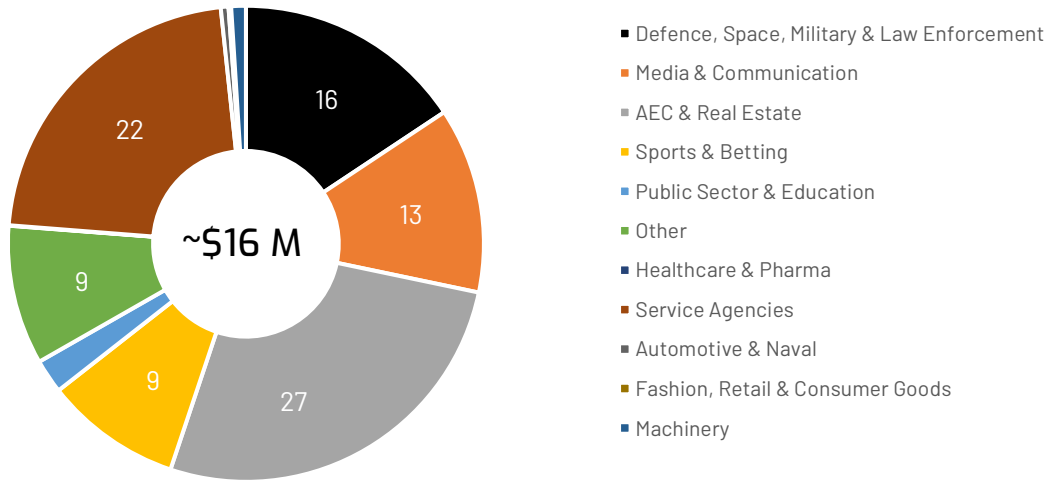
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During the year to date, the Company has continued to invest strongly in technology, sales channels, global partnerships, and organizational infrastructure development, while focussing on several cost management initiatives to deliver strong underlying financial benefits.

**FY23 TOTAL CONTRACT VALUE (TCV) TO-DATE (in %):
 INTEGRATEDXR[®] VISION FOR CROSS-SECTORAL CHALLENGES**



The Total Contract Value is a metric that combines all contracts, including subscription and maintenance packages, that the Company expects to deliver during the current fiscal year, subject to audit review. As with previous Enterprise Sales & TCV updates, the Company notes that quarterly cash receipts may vary depending on the solution and/or service provided to the end customer, and any individually material contract award will be separately announced to the market as applicable.

Furthermore, the Company notes that most of its current revenue generating activities are still dependant on upfront and implementation fees (in addition to a recurring revenue component). Therefore, cash receipts and TCV metrics can significantly vary each period, while organically growing on a full year basis.

ENDS

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ABOUT VECTION TECHNOLOGIES:

Vection Technologies is a growing enterprise-focused company that helps businesses bridge the physical and digital worlds. We help organizations leverage their 3D data via powerful extended reality (XR) interfaces that foster collaboration and learning, grow sales and more.

Vection Technologies is listed on the Australian Securities Exchange (ASX) with ticker code VR1, and trades on the U.S. over-the-counter (OTC) markets under the symbol VCTNY.

For more information, please visit: www.vection-technologies.com

ASX release authorised by the Board of Directors of Vection Technologies Ltd.

FORWARD LOOKING STATEMENTS:

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Vection Technologies' current expectations, estimates and projections about the industry in which Vection Technologies operates, and beliefs and assumptions. Forward looking statements can generally be identified by the use of forward-looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of Vection Technologies, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Vection Technologies only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Vection Technologies has no obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

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