

12 February 2024, Australia

ASX RELEASE**DEFENCE CONTRACT AWARD**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), ("Vection" or the "Company"), the INTEGRATEDXR[®] company, is pleased to announce the award of a contract valued at \$4.9m (€3.0m) on a Total Contract Value ("TCV") basis, all of which is expected to be recognised in 3Q FY24.

The contract is with a technology service provider focused on cybersecurity and infrastructure security solutions for law enforcement, government agencies and security agencies, with the service to be ultimately provided to a non-European government.

The Company received a payment of \$1.3m (€0.8m) from the customer on 1 February 2024 as an initial deposit, and the remaining amount is scheduled for payment within February (payments subject to execution of this contract). The Company anticipates the completion and delivery of this project in the 3QFY24. The outward supplier cash flows are expected to be remitted in Q4 FY24 after project delivery.

This particular order is primarily for cyber security-focused ICT infrastructure in partnership with DELL and, as such, is low margin. While positive earnings are expected from this contract, they will likely be immaterial to Earnings Per Share ("EPS") in FY24. This agreement is a repeat order from the customer, with Vection having previously completed smaller scope contracts for the customer, confirming a successful collaboration, further proving the Company's consistent capability to maintain and enhance client relationships. Vection confirms it is satisfied as to the creditworthiness of the customer.

The scope of this contract involves providing an ICT technology solution that mainly focuses on strengthening cyber and data security for National Security Intelligence purposes (recorded within the Company's Defence, Space, Military and Law Enforcement market segment). Vection believes that embedding itself into the customer's entire supply chain will provide valuable and repeatable ongoing work. The customer has indicated that significant further work may be available to Vection.

MATERIALITY THRESHOLD:

This announcement is deemed material by the Board as it exceeds the Company's Announcement Materiality Threshold. The Announcement Materiality Threshold is for individual or multiple contracts cumulatively equating to more than \$500k in Revenue and/or significant strategic value.

AUTHORISATION:

This ASX release is authorised by the Board of Directors of Vection Technologies Limited.

ENDS**VECTION TECHNOLOGIES LTD**

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

GLOBAL OFFICES

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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 organisations 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

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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