

20 February 2024, Australia

ASX RELEASE**MULTIPLE CONTRACTS AWARD - \$971,000 TCV**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), ("Vection" or the "Company"), the INTEGRATEDXR[®] company, is pleased to announce the award of multiple contracts across its healthcare, real estate and retail divisions worth \$971k on a Total Contract Value (TCV) basis.

HIGHLIGHTS:

- Vection has executed 3 contracts worth \$971k in TCV, being:
 - \$350k in the healthcare segment.
 - \$371k in the retail segment.
 - \$250k in the real estate segment.
 - Revenue Recognition is expected to be \$760k in 2HFY24 and \$210k in FY25-FY27.
 - Across the \$970k, the company expects a Gross Margin of 35%-45% before Overhead, Finance, D&A and Corporate Costs from these contracts, including expensing some set-up costs, which may not be repeated if similar future orders are obtained.

OVERVIEW:**Contract 1**

Vection has entered into a contract with ITS Biomedical Mirandola for a value of \$350k (equivalent to €211,990) on a Total Contract Value (TCV) basis. Under this agreement, Vection will provide ITS Biomedical with a selection of its virtual and mixed-reality software products on a subscription model for three years. Although the contract includes a small portion of virtual reality (VR) hardware, the primary focus is on providing software subscriptions and the accompanying professional services.

Vection anticipates recognising approximately \$139k of the contract's value as revenue during 2H FY24. The remaining balance of \$210k will be recognised as revenue over the next three fiscal years, corresponding to the annual subscription value for each year.

ITS Biomedical is an educational institution in the Mirandola Biomedical District, a renowned industrial hub in Italy, specialising in biomedical engineering. This district is distinguished for its production of medical devices, including equipment and disposable products for therapeutic applications, extending across Mirandola and its adjacent areas. This collaboration aligns Vection within a vital segment of the biomedical field, leveraging its expertise in virtual and mixed reality technologies to potentially transform educational and operational practices within the sector.

VECTION TECHNOLOGIES LTD

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

GLOBAL OFFICES

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Scarborough Beach Road,
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Contract 2

Vection has entered into an additional agreement with Kiosk Embedded Systems GmbH (**Kiosk Systems**). This German company specialises in developing and manufacturing embedded systems and kiosk solutions. This agreement is valued at \$371k (equivalent to €225,000) on a TCV basis.

This contract's scope includes providing advanced smart kiosks, including smart kiosks with an Artificial Intelligence (**AI**)-powered 3D digital avatar layer. These kiosks are destined for a prominent hotel chain that operates several hundred hotels across various locations.

The Company anticipates the completion and delivery of this project by 4Q FY24.

This customer is a repeat Vection client. They have indicated that significant further work may be available to Vection pending the success of these items.

Pleasingly, Kiosk Systems has committed to unveiling the prototype of the modular kiosk integrated with an AI-powered 3D digital concierge at the ITB Berlin Show, scheduled for March 5th to 7th, 2024.

Contract 3

In addition to the above, Vection has also entered into a contract with Edge Visionary Living (**Edge**), a leading and award-winning apartment developer in Western Australia (**WA**). This agreement is centred on providing a Virtual Reality (**VR**) experience designed to showcase several of their prominent developments in an immersive VR format. The Total Contract Value of this agreement is \$250k.

Both the Kiosk Systems and the Edge contracts are repeat orders, with Vection having previously completed smaller scope contracts for the customers, confirming successful collaborations and further proving the Company's consistent capability to maintain and enhance client relationships.

The Company anticipates the completion and delivery of this project by 4Q FY24.

Vection confirms it is satisfied with the customers' creditworthiness.

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.

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AUTHORISATION:

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

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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.

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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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