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ASX RELEASE

VECTION TO DEVELOP 3D FASHION CONFIGURATOR FOR MYR

Vection Technologies Ltd (ASX:VR1) (**Vection** or the **Company**), a multinational software company that creates **3D**, Virtual Reality (**VR**) and Augmented Reality (**AR**) solutions, is pleased to announce the execution of an agreement to develop a customised 3D In-Store Fashion Configurator for **MYR Srl (MYR) (MYR Fashion Configurator Agreement)**.

The MYR Fashion Configurator Agreement is initially valued at ~A\$288,000 as summarised in Appendix A. Subject to conditions precedent, this work will commence in February 2020 and be completed by mid-2020.

Highlights

- **Customised version of Vection's 3D In-Store Fashion Configurator to be adopted by MYR for an initial consideration of ~A\$288,000¹**
- **MYR is a software company backed by Adriano Goldschmied, founder of Diesel clothing brand**
- **Vection to accelerate the commercialisation of its portfolio of 3D, VR and AR SaaS products in the fashion industry segment**

MYR is a software company focussed on revolutionising the fashion and apparel industry. MYR was founded by Umberto Brocchetto, an experienced apparel professional, and Valter Celato, a jeanswear creative expert. MYR is backed by Adriano Goldschmied, the "god-father of denim", founder of global retail clothing company Diesel and instrumental player in the development of Replay, Bobo Kaminsky, Goldie, Evisu and Rivet.²

MYR and Vection's 3D In-Store Fashion Configurator

The agreement with MYR follows on from Vection's collaboration with one of the biggest selling luxury brands globally during 2019 (ASX: 5 August 2019), which resulted in the development of the 3D In-Store Fashion Configurator, a 3D software enabling:

- Ultra-realistic interactive fashion items visualisation leveraging Vection's proprietary real-time 3D technology
- Visualisation of fashion items in the real space leveraging Vection's proprietary AR technology
- Seamless adoption and vertical integration across extensive networks and stores
- Collection and analysis of data across brands' network and customers
- End-to-end ERP, logistics and procurement system integration

¹ Reserve Bank of Australia AUD/€ exchange rate at 3 January 2020.

² Source: myr.eu.com/en/about

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Vection’s 3D In-Store Fashion Configurator denim customised version enables MYR to efficiently launch a new subset of features not currently available on its existing platform as MYR accelerates its commercialisation endeavours.



Figure 1: MYR Platform snapshot

The MYR 3D In-Store Fashion Configurator will enable denim and textile designers to:

- Build entire collections via a touch screen
- Work in real time and collaborate with denim laundries
- Connect with other participants in the denim supply chain

Gianmarco Biagi, Vection’s Managing Director, commented:

“The convergence of textile and digital is a fundamental step-change for the fashion industry and generates a significant opportunity for Vection as it leverages and advances its fashion market knowledge and penetration.

The agreement with MYR enables Vection to closely collaborate with an early stage venture with notable fashion industry backing with Adriano Goldschmied, the ‘god-father of denim’ and Umberto Brocchetto, and to further accelerate the commercialisation of its portfolio of 3D, VR and AR SaaS products in this industry segment.”

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About Vection (ASX:VR1):

Vection is a multinational software company that makes 3D, Virtual Reality (VR) & Augmented Reality (AR) software services for the engineering, manufacturing, architecture, construction & education industries. Vection operates on an Enterprise business model based on bespoke fees and on a Software as a Service (SaaS) business model based on recurring subscription revenue.

vection.com.au

About MYR:

MYR is a software company focussed on revolutionising the fashion and apparel industry. MYR was founded by Umberto Brocchetto and Valter Celato, and backed by Adriano Goldschmied, the “god-father of denim”, founder of Diesel and instrumental player in the development of Replay, Bobo Kaminsky, Goldie, Evisu and Rivet. MYR is a digital platform that offers designers the possibility to plan and customize prototypes and style works, and suppliers the chance to put forth their best available products for a continuously growing community. Conceived to simplify and implement the denim design process, MYR is the ideal partner in the creation of collections, making it easier for designers to visualize their prototypes in a revolutionary high quality manner, helping garment makers and finishing companies to present their best and most easily customizable solutions to their clients.

myr.eu.com/en/

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



Appendix A: Material Terms of the MYR Fashion Configurator Agreement

In accordance with ASX guidelines, Vection provides the following information:

<p>Description of Agreement</p>	<p>Software development agreement between Vection Italy S.r.l. And MYR Srl (MYR). Under the terms and conditions of the agreement MYR wishes to engage Vection for the development of the MYR software.</p>
<p>Terms of the Agreement</p>	<ul style="list-style-type: none"> - MYR warrants that it will and must not produce, commercialise software, directly or indirectly, in competition with Vection, that is derived from the source code of the MYR platform. - Vection to be the sole supplier of development services for the MYR platform. - Vection warrants the functionalities of the platform for a period of 2 years from acceptance from MYR of the MYR platform. - €180,000 plus VAT to be paid by MYR to Vection as follows: <ul style="list-style-type: none"> o €75,000 plus VAT at execution of the order; o €30,000 plus VAT subject to the delivery by Vection of specific functionalities on the MYR platform; o €25,000 plus VAT subject to the delivery by Vection of specific functionalities on the MYR platform; o €25,000 plus VAT subject to the delivery by Vection of specific functionalities on the MYR platform; and o €25,000 plus VAT subject to the delivery by Vection of specific functionalities on the MYR platform. - Conditions Precedent to the development of the MYR platform: <ul style="list-style-type: none"> o Finalisation of MYR's capital raising initiatives before 31 January 2020; and o Formal technical analysis acceptance by MYR and its incoming shareholders of the Vection technical project proposal.
<p>The significance of the Agreement</p>	<p>In Vection's view, the impact of the software development agreement is material due to the revenue component of the agreement. The Company will provide market updates as applicable.</p>
<p>Other material information relevant to assessing the impact of the Agreement on the price of value of Vection's securities</p>	<p>There is no other material information.</p>