ASX RELEASE

VECTION'S LOGISTICS APPLICATION SUCCESSFULLY DELIVERED
Proof of Concept confirmed with logistics and traceability solution provider Alfacod Group

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 successful completion of the first stage of the agreement with logistics and traceability solutions provider Alfacod Group (**Alfacod**).

The Vection developed and AR powered 'Optimised Picking' software is a tool enabling increased process efficiency and quality in complex logistics activities.

Highlights

- **Successful proof of concept developed of Vection's AR Logistics software**
- **Alfacod agreement progresses to the second stage**
- **Advanced discussions to commercialise the solution to Alfacod's existing client portfolio with a SaaS model**
- **Vection's AR Logistics software to integrate into Alfacod's logistics management software**
- **AR Technology to improve efficiencies, reduce picking errors and search time for logistics operators**

AR Optimised Picking - Vection Logistics solution

Vection has successfully delivered the first stage of the agreement with Alfacod for the provision of AR powered "Optimised Picking" software (order picking using smart glasses or tablet in warehouse operations) to **increase process efficiency and quality in complex logistics activities**. (ASX Announcement: 13 August 2019)

The second stage of the agreement will see the integration of Vection's AR 'Optimised Picking' software into Alfacod's logistics management software.

Vection Technologies Ltd (ASX:VR1) ACN: 614 814 041

Thanks to the latest developments in contextual computing and enterprise AR devices, AR is an attractive tool to increase process efficiency and quality in complex logistics activities.

AR empowers employees in the logistics industry by **providing the <u>right</u> information at the <u>right</u> time and in the <u>right</u> place**.

Employees typically perform multiple actions when managing an order, such as locating the correct product, scanning it and delivering it to the loading dock. Technologies such as **AR, facilitate identification of the location of the correct product, significantly reducing time and associated costs of warehousing operations**.

The Alfacod Agreement

First stage of the agreement was for the provision of proof of concept software. This has successfully completed.

Stage two of the agreement is underway and will generate ~A$75,000 in short term revenues for Vection.

Giorgio Solferini, President of Alfacod, commented:

"Vection's augmented reality powered 'Optimised Picking' software has exceeded our initial expectations and we are very excited to progress this agreement to the second stage.

This technology has the potential to be adopted across a broad variety of industries and we are very confident on the future sales outlook. We intend to extend this initial engagement into a long-term value accretive partnership in the short-term."

Gianmarco Biagi, Managing Director of Vection, commented:

"We are proud to meet our customers' advanced technological requirements, which reinforces Vection's position as a leading provider of technology solutions for Industry 4.0.

Alfacod represents a unique opportunity to commercialise an advanced logistics focussed software solution to its existing client portfolio on a SaaS model."

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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 and healthcare 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.
www.vection.com.au

About Alfacod

Alfacod, founded in 1986, is a market leader in mobile computing solutions (readers, terminals, barcode printers), traceability / tracking of goods, high-speed WiFi architectures, warehouse automation, geolocation, RTLS and FGS systems, Fine Line automation, digital printing solutions, special labels for logistics and industry, "Print & Apply" industrial applicators, RFid solutions, DPM marking, barcode verification, Industrial Vision systems and Retail solutions. Alfacod is recognised as an expert in bar codes, identification and traceability technological solutions and applications. Alfacod boasts market recognised clients such as Haworth (www.haworth.com), Paul & Shark (www.paulandshark.com), Bartolini (www.brt.it), Zanichelli (www.zanichelli.it) and Dainese (www.dainese.com). In addition to the above, Alfacod has partnerships with key technology companies such as Panasonic, HP, Datalogic, Honeywell and Zenoway.
www.alfacod.it

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