

2 March 2023, Australia

ASX RELEASE**MAJOR DEFENCE PILOT ORDER AWARD**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), the INTEGRATEDXR® company, is pleased to announce the award of a major defence pilot order of ~\$1 million¹, for a top ten largest defence contractor in the world.

The Company notes that this pilot order marks the first entry by the Company into the production chain of the authorised NATO Tempest producers.

This initial pilot forms part of a larger tender of up to ~\$30 million. If the pilot proves successful, the Company expects to finalise the subsequent order awards within the next six months, subject to final agreements and negotiations with the end client.

HIGHLIGHTS:

- ~\$1 million¹ initial pilot order for a top ten largest defence contractor in the world.
- Pilot marks an initial entry into the production chain of the authorised NATO Tempest producers.
- Initial pilot forms part of a larger tender of up to ~\$30 million. The Company expects to finalise the subsequent order awards within the next six months, subject to final agreements and negotiations with the client.
- Critical steppingstone to establish INTEGRATEDXR® as a benchmark in the defence industry.
- Company further secures its \$24-26 million revenue guidance for fiscal 2023.

OVERVIEW:

Vection Technologies has been awarded a ~\$1 million¹ pilot order for a top ten largest defence contractor in the world, for the provision of mission critical ICT infrastructure.

This pilot marks an initial entry by the Company into the production chain of the authorised NATO Tempest producers, via its partners.

This initial pilot forms part of a larger tender of up to ~\$30 million, which, subject to successful delivery, the Company expects to finalise the subsequent order awards within the next six months, subject to final agreements and negotiations with the client. The Company will advise on key terms and conditions for the larger tender as applicable.

This pilot order represents a critical steppingstone in the ongoing strategy within the defence industry. It will enable Vection Technologies to build the necessary foundations to establish its INTEGRATEDXR® as the benchmark workflow to bridge the physical and digital worlds in the defence industry: from mission critical ICT infrastructure to Virtual Reality (VR), Augmented Reality (AR), Mixed Reality (MR) and the Metaverse.

¹ Based on the average €/AUD exchange rate at the end of February 2023 (Source: Reserve Bank of Australia).

VECTION TECHNOLOGIES LTD

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

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WEBSITE

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REGISTERED OFFICE

Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia



Image 1: the INTEGRATEDXR[®] workflow.

This order represents a material example of how the Company intends to leverage 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 XR applications.

During fiscal 2022, Vection Technologies secured a strong market position in the Defence, Military, and Law Enforcement segment. This market segment represented ~29% of the FY22 overall sales composition. In fiscal 2023, the Company added Mr Jacopo Merli to its board of directors, and appointed former DELL OEM Account Executive, Dennis Pacella, as Vice President Sales Europe, to ensure a cohesive execution of the overarching strategy in the defence industry. (ASX: 28 October 2022; and 9 November 2022)

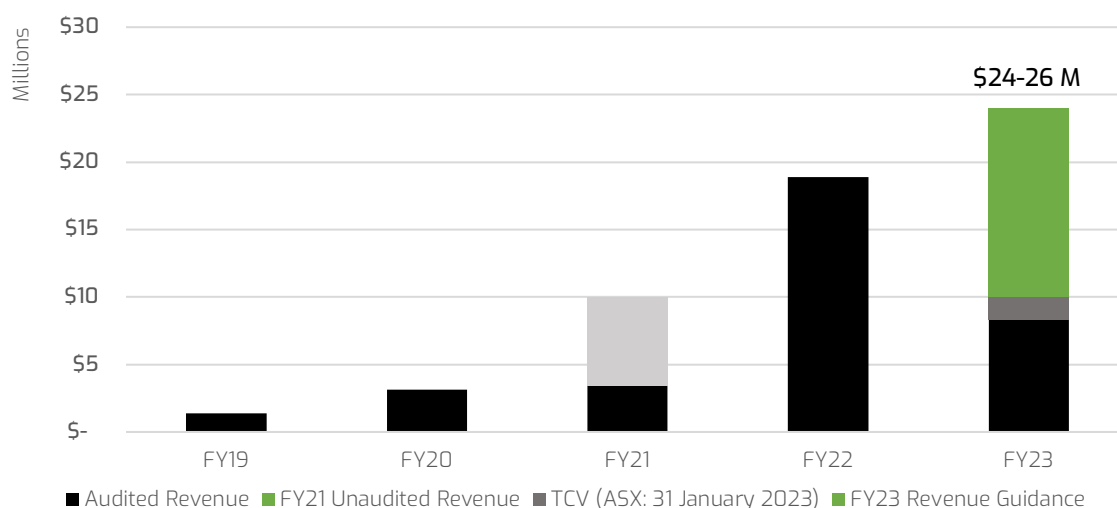


Image 2: Audited Revenue, Unaudited Revenue (including effect from acquisitions) and FY23 Revenue Guidance.

This pilot order is expected to be delivered by the end of Q4 fiscal 2023.

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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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