

8 August 2023, Australia

ASX RELEASE**VECTION TECHNOLOGIES ENHANCES FASHION XR SUITE WITH NEW ACQUISITION**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), the INTEGRATEDXR[®] company is pleased to announce the execution of a binding agreement to acquire MYR S.r.l. ("MYR"), a 3D technology company revolutionising the fashion and apparel industry.

This proposed acquisition further strengthens the Company's solutions suite for customers in the fashion sector, unlocking new organic growth opportunities.

HIGHLIGHTS:

- Vection Technologies to acquire MYR, a 3D technology company revolutionising the fashion and apparel industry.
- Acquisition to strengthen the Company's INTEGRATEDXR[®] solutions suite for the fashion, retail, and consumer goods sectors.
- By combining MYR's technology with the INTEGRATEDXR[®] solutions suite, customers can expect stronger and more comprehensive solutions tailored specifically to their needs.
- The acquisition follows from Vection Technologies' recent agreement to acquire Invrsion, another 3D technology company specializing in the fashion, retail, consumer goods, and real estate sectors.
- The consideration payable for the acquisition is based on the performance of MYR, and vests after 30 June 2025.
- Through the integration of MYR, Vection Technologies aims to drive organic growth, enhance customer experiences, and generate significant value for shareholders.

OVERVIEW:

By acquiring MYR, Vection Technologies strengthens its INTEGRATEDXR[®] solutions suite for the fashion, retail, and consumer goods sectors, and solidifies its position as a frontrunner in the integrated-Extended Reality (XR) technology space, further bolstering its leadership.

This proposed acquisition follows Vection Technologies' recent agreement to acquire Invrsion (ASX: 7 June 2023), a technology company developing 3D and mixed reality solutions for the fashion, retail, consumer goods, and real estate sector.

MYR's "Look Customizer" software empowers fashion brands to revolutionize their design and production processes, enabling them to create and customize denim prototypes in a virtual environment with unparalleled ease and precision. MYR's consulting services, on the other hand, further assist customers in streamlining their design, prototyping, and industrialization processes for products. With these enhanced capabilities, the

■ VECTION TECHNOLOGIES LTD

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

■ GLOBAL OFFICES

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ WEBSITEwww.vection-technologies.com**■ REGISTERED OFFICE**Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia

Company's customers can improve efficiency, accelerate time-to-market, reduce costs, and deliver more personalized and immersive experiences to their target audience.

This acquisition reinforces Vection Technologies' commitment to empowering customers with cutting-edge XR solutions that drive growth and innovation in their respective industries.

Renowned brands such as Diesel, Calvin Klein, and Tommy Hilfiger have entrusted MYR to provide their innovative solutions. Furthermore, MYR benefits from the support of industry icon Adriano Goldschmied, the visionary behind the global retail clothing company Diesel and instrumental in the development of other successful brands.

For more information on MYR, please visit: <https://www.myr.eu.com/en>

Gianmarco Biagi, managing director of Vection Technologies Ltd, commented:

"This acquisition reinforces our commitment to delivering unparalleled solutions to our customers in the fashion, retail, and consumer goods, sectors. With MYR's expertise and innovative 3D and mixed reality solutions, we can now provide a stronger suite of solutions that empower our customers to transform their businesses and stay ahead in this rapidly evolving market."

"This acquisition not only enhances our position as a leader in the extended reality technology space but also unlocks new organic growth opportunities for us as we continue to innovate and expand our customer base. We are excited about this acquisition's potential and the value it will create for our customers and shareholders alike."

Key acquisition benefits include:

- **Customer benefits:** Integration of MYR's technology within the **INTEGRATEDXR[®]** suite will bring remarkable advantages to the Company's customers, enhancing their experience and enabling them to leverage innovative solutions in the fashion sector.
- **Enhanced commercial value:** Vection Technologies aims to immediately commercialize MYR's technology across its direct and indirect sales network. By doing so, the company will deliver substantial benefits to its customers, driving organic profitable growth. The innovative solutions provided by MYR's technology offer unique selling points for the Company's customers, enhancing its commercial value and differentiation in the market.
- **Enhanced customer trust:** With a strengthened global commercial presence and an extensive suite of **INTEGRATEDXR[®]** solutions and services tailored to the fashion, retail, and consumer goods sectors, Vection Technologies aims to earn and maintain the trust of its customers. By offering comprehensive and industry-specific solutions, the Company ensures that customers' needs are effectively met, fostering trust and long-term partnerships.
- **Streamlined operations:** The integration presents an opportunity to reduce overhead costs by centralizing administrative tasks, focusing on industry-specific commercial activities, and unifying the combined research and development efforts. This optimization directly benefits the Company's customers, delivering higher value at a more efficient cost.

■ **VECTION TECHNOLOGIES LTD**

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

■ **GLOBAL OFFICES**

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ **WEBSITE**

www.vection-technologies.com

■ **REGISTERED OFFICE**

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

During MYR's commercial start-up phase of calendar year 2022, MYR delivered an unaudited revenue of ~\$30k, with the performance-based consideration for the proposed acquisition being a single performance right that converts into fully paid ordinary shares in the Company ("**Shares**") based on revenue milestones for MYR in FY25, with the minimum revenue milestone being ~\$600k. The value of the consideration payable is capped at 6,200,000 Shares.

The key terms of the proposed acquisition of MYR are set out in the annexure to this announcement.

AUTHORISATION:

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

ENDS

INVESTOR RELATIONS CONTACT DETAILS:

Edison:

Dan Ridsdale - Managing Director, TMT
Email: dridsdale@edisongroup.com

Company:

Gianmarco Biagi - Managing Director (Europe Based)
Email: gianmarco.biagi@vection-technologies.com
Phone: +39 051 014 2248

Gianmarco Orgnoni – Director, CSO & CMO (Australia Based)
Email: gianmarco.orgnoni@vection-technologies.com
Phone: +61 8 6380 7446

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

■ **VECTION TECHNOLOGIES LTD**

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

■ **GLOBAL OFFICES**

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ **WEBSITE**

www.vection-technologies.com

■ **REGISTERED OFFICE**

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

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.

■ VECTION TECHNOLOGIES LTD

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

■ GLOBAL OFFICES

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ WEBSITEwww.vection-technologies.com**■ REGISTERED OFFICE**Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia

ANNEXURE A – KEY TERMS OF THE MYR BINDING AGREEMENT:

Parties:	Vection Technologies has entered into a binding agreement with Freexit S.r.l., the majority shareholder of MYR S.r.l.
Acquisition:	Vection Technologies agrees to acquire 100% of the issued share capital of MYR from the shareholder of MYR S.r.l.
Consideration:	<p>The consideration payable by the Company at settlement is one performance right which converts into fully paid ordinary shares in the Company ("Shares") subject to:</p> <ol style="list-style-type: none"> 1. Umberto Brocchetto ("MYR CEO") remaining employed until 30 June 2025; and 2. audited revenue for MYR in FY2025 being above €400,000, (the "Performance Right"). <p>The Performance Right will convert into a number of Shares that is equal to the lesser of:</p> <ol style="list-style-type: none"> 1. 0.5 times the audited revenue (prepared in accordance with the Australian Accounting Standards ("AASB") for MYR, as independently verified by the Company's auditors for FY2025; and 2. €400,000, <p>divided by the greater of \$0.10 and the volume weighted average price of the Shares traded in the 5-days prior to the day of the public lodgement to market of the Company's consolidated audited accounts for FY2025.</p> <p>The audited revenue for each period described above, will be based on the twelve months (1 July – 30 June) average Reserve Bank of Australia €/AUD exchange rate for that period, capped at a rate of 1 € = AUD 1.55.</p>
Conditions Precedent:	<p>Settlement of the acquisition is conditional upon the satisfaction of conditions precedent, including:</p> <ol style="list-style-type: none"> a) Management agreement: the execution of specific employment agreement with the MYR CEO, for a period of minimum 3 years; b) Board Advisory agreement: the execution of an agreement with Adriano Goldschmied regarding the terms and conditions of a cooperation relationship as board advisor; c) Business plan: the drafting of a joint 3-year business plan; d) Due diligence: Due diligence on MYR's financial and legal position at the sole satisfaction of the Company; e) Financial statements: approval by MYR's quota holders of the 2021 and 2022 financial statements; and f) Definitive agreement: the parties entering into the definitive agreement in respect of the proposed acquisition.
Settlement:	Settlement of the acquisition is expected to occur on or prior to 30 September 2023.

The agreement otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties, and confidentiality provisions).

VECTION TECHNOLOGIES LTD

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

GLOBAL OFFICES

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

WEBSITE

www.vection-technologies.com

REGISTERED OFFICE

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