

# Vection Technologies

Contract wins

## Contract wins underpin strong start to H224

Software and comp services

Vection Technologies secured multiple contracts in February, generating total contract value (TCV) of A\$5.8m, with management expecting to recognise the associated revenue and cash across H224. Year to date, the group has delivered more than A\$22.5m in TCV, c 80% of FY23 TCV, underpinning growth momentum in FY24. The most substantial contract, valued at A\$4.9m, was won with an existing customer in the defence sector, Vection's second-largest vertical, showing that management is delivering on its upsell strategy. The other contracts spanned healthcare, retail and real estate, reflecting growing demand for extended/virtual reality technologies across a myriad of commercial applications.

Year end	Revenue (A\$m)	Adj EBITDA* (A\$m)	PBT** (A\$m)	EPS** (c)	EV/sales (x)	P/sales (x)	Net cash*** (A\$m)
06/21	3.5	(0.2)	(2.5)	(0.27)	11.1	10.4	2.2
06/22	18.9	1.4	(7.0)	(0.67)	2.0	1.9	10.8
06/23	26.3	1.5	(11.2)	(1.05)	1.5	1.4	0.7

Note: \*Adjusted EBITDA is normalised, excluding non-cash payments, exceptional items and interest revenue. FY22 figure re-stated. \*\*PBT and EPS are normalised, excluding exceptional items and interest revenue. \*\*\*Includes debt, financial leases and term deposits.

On 12 February, Vection won a A\$4.9m contract with an existing technology service customer focused on cybersecurity and infrastructure security solutions for national security use cases. Vection's technology will be embedded in the customer's supply chain, which management believes will lead to repeat business and further upsell opportunities. The group expects to collect all the cash relating to the contract before year-end.

Not only does this show management's ability to deliver multi-million-dollar contracts with a single customer, but it also demonstrates successful execution of the group's land and expand strategy. Kiosk Systems and Edge, the wins in retail and real estate respectively, are also repeat customers of Vection, providing further validation of its extended reality solution.

Below is a summary of the other contract wins:

- Healthcare:** A\$350k (€211,990) three-year subscription deal with ITS Biomedicale Mirandola, an Italian biomedical education institution providing virtual/mixed reality software and services, focusing on software subscriptions. Management expects to report A\$139k in revenue in H224 and A\$210k over the next three fiscal years.
- Retail:** A\$371k (€225,000) agreement with Kiosk Embedded Systems, a German embedded systems company, providing advanced AI-powered, 3D digital avatar kiosks for a hotel chain. Delivery will be by Q424, with potential for further work and prototype unveiling at the ITB Berlin Show in March 2024.
- Real estate:** A\$250k contract with Edge Visionary Living, a Western Australian apartment developer, providing a virtual reality experience to showcase developments, with delivery by Q424.

21 February 2024

**Price** **A\$0.032**

**Market cap** **A\$36.1m**

Net debt (A\$m) at 31 December 2023 3.9

Shares in issue 1,127m

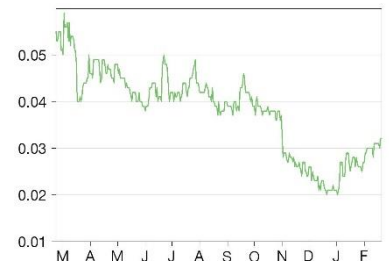
Free float 49%

Code VR1

Primary exchange ASX

Secondary exchange OTC (VCTNY)

### Share price performance



### Business description

Based in Australia, Vection Technologies operates in the field of extended reality, which encompasses immersive technologies such as augmented reality, virtual reality and mixed reality. The company's immersive solutions suite, IntegratedXR, is a combination of technology solutions designed to integrate systems, processes and technologies via digital transformation. Vection Technologies partners with companies to build out the foundational elements that enable them to engage with the metaverse.

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