5 July 2021 | Australia

ASX RELEASE

# JMC ACQUISITION INVESTOR PRESENTATION

Real-time software company Vection Technologies Ltd (ASX:VR1) (**Vection Technologies**, **Vection** or the **Company**) is pleased to provide an investor presentation setting out the key benefits of the JMC acquisition appended to this announcement, as announced on 15 June 2021.

**Vection's management will host a conference call on Wednesday 7 July 2021 at 12.00pm AEST to discuss the acquisition of JMC.**

Participants must register in advance for the investor call using the following link to receive dial-in details: https://zoom.us/webinar/register/WN_hxVwBgxSQHqdqKesT4ntXA

After registering, you will receive a confirmation email containing information about joining the webinar.

**Investor Relations Contact Details**

Gianmarco Biagi - Managing Director (Europe Based)
Email: gianmarco.biagi@vection.com.au
Phone: +39 051 0142248

Gianmarco Orgnoni - Director and COO (Australia Based)
Email: gianmarco.orgnoni@vection.com.au
Phone: +61 8 6380 2555

**About Vection Technologies:**

Vection Technologies Ltd (ASX:VR1) is a multinational software company that focuses on real-time technologies for industrial companies' digital transformation.
Through a combination of our 3D, Virtual Reality, Augmented Reality, Industrial IoT and CAD solutions, Vection Technologies helps companies and organisations to innovate, collaborate and create value.
For more information please visit the Company's websites:
vection.com.au
mindeskvr.com
blankcanvas.studio
jmcgroup.it

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

3D
VIRTUAL REALITY
AUGMENTED REALITY
INDUSTRIAL IoT
CAD


**Asia Pacific**
Address: 642 Newcastle Street, Leederville WA 6007
Phone: +618 6380 2555

**Europe**
Address: Via Isonzo 61
40033 Casalecchio di Reno (BO), Italy

**North America**
Address: 785 Market Street, #600
San Francisco CA 94103
USA

**Media Enquiries**
AUpress@vection.com.au
EUpress@vection.com.au

# ACQUISITION OF JMC GROUP - INVESTOR OVERVIEW (ASX:VR1)

VECTION TECHNOLOGIES

5 July 2021

# DISCLAIMER

This presentation has been prepared by Vection Technologies Limited (ACN 614 814 041) (**Vection Technologies** or the **Company**) and is for information purposes only. It does not constitute financial product or investment advice or a recommendation to acquire Vection Technologies shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Vection Technologies is not licensed to provide financial product advice in respect of Vection Technologies shares.

Vection, Vection Technologies, FrameS, Mindesk, Trainer Creator and their respective logos, are trademarks or registered trademarks of Vection Technologies, or its subsidiaries. All other registered or unregistered trademarks mentioned in this presentation are the property of their respective owners, and no trademark rights to the same are claimed.

**Financial Data** - All dollar values are in AUD dollars (AUD or $) unless otherwise presented.

**ASX Release** authorised by the Board of Directors of Vection Technologies Ltd.

**Future performance** - Forward looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a

general guide only and should not be relied upon as an indication or guarantee of future performance. An investment in Vection Technologies shares is subject to investment and other known and unknown risks, some of which are beyond the control of Vection Technologies. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Vection Technologies employees, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this

presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by

their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

# VECTION TECHNOLOGIES

To realise the full potential of our 3D, Virtual Reality (VR), Augmented Reality (VR), Internet of Things (IoT) and Computer Aided Design (CAD) platforms, we're committed to driving **digital transformation (DX)** across a range of industry sectors.

**We focus on integrated XR solutions for companies embarking on their digital transformation journey.**

### DIGITIZATION
The process of making information available and accessible in a digital format.

### DIGITALIZATION
The act of making processes more automated through the use of digital.

### DIGITAL TRANSFORMATION
The process of devising new business applications that integrate all the digitized data and digitalized application.

# AN AMBITIOUS EMERGING TECHNOLOGY COMPANY

- Global **expanding presence in 4 continents** with **over 100 people**, and **200+ client portfolio** across the group.
- Driving towards a vision of **leading the 4th digital industrial revolution** via a strong technology advantage in **3D, VR, AR, XR, Cloud Computing** and their convergence with emerging technologies including **ICT, IoT, AI and Cyber Security**.
- **Uniquely positioned** to help customers digitally transform their business with **leading proprietary real-time technologies & know-how**.

**~$10.6M**

**Aggregated unaudited FY20 Revenue[1]**

**~$0.8M**

**Aggregated unaudited FY20 EBITDA[2]**

(1) Aggregated unaudited revenue of $10.6M in the 2020 financial year being the audited revenue for Vection in FY20 plus unaudited revenue for Blank Canvas and unaudited revenue for JMC in FY20 (December year end) based on the AUD/€ exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021) (refer to next slides).

(2) Aggregated FY20 EBITDA for Vection (ASX 30 September 2020), Blank Canvas (unaudited) and JMC (unaudited).

# INTRODUCING JMC GROUP

- **100% Acquisition** of JMC Group.
- JMC is a **European based technology company** and DELL Platinum and OEM partner.
- JMC designs, develops, and delivers high-level integrated business **technology solutions for Industry 4.0.**
- Strong solutions suite in Internet of Things (**IoT**), Artificial Intelligence (**AI**) and Information and Communication Technology (**ICT**).
- Acquisition to **expand Vection's XR integration capabilities** to drive further differentiation and growth.

# HIGHLY STRATEGIC ACQUISITION OF JMC GROUP

## INTEGRATED TECHNOLOGY, INCREASED MARKET PRESENCE AND SCALE

### EXPANSION

Established and expansive commercial footprint across Europe and the Middle East.

### TECHNOLOGY

Expanded technology integration capabilities across IoT, AI and ICT.

### PARTNERS

Direct access to partnership and distribution agreements with DELL and Toshiba Tec for stronger integrated XR solutions.

### CLIENTS

Strong and diverse client portfolio for increased upselling opportunities.

### VERTICALS

Strong vertical knowledge across diverse industrial sectors including Media & Communications.

### GROWTH

Enhanced scale and immediate strong growth with average revenue of ~\$9M[1], and ~\$1M in average EBITDA[2].

### STRATEGY

Company fully funded to accelerate its global acquisition, distribution and technology integration strategy.

(1) Average unaudited revenue for the period FY18-FY20 (December year end) and based on the AUD/€ exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021).
(2) Average adjusted EBITDA based on calculations provided by management of JMC and reviewed by management of Vection and unaudited (period FY18-FY20) and based on the AUD/ € exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021).

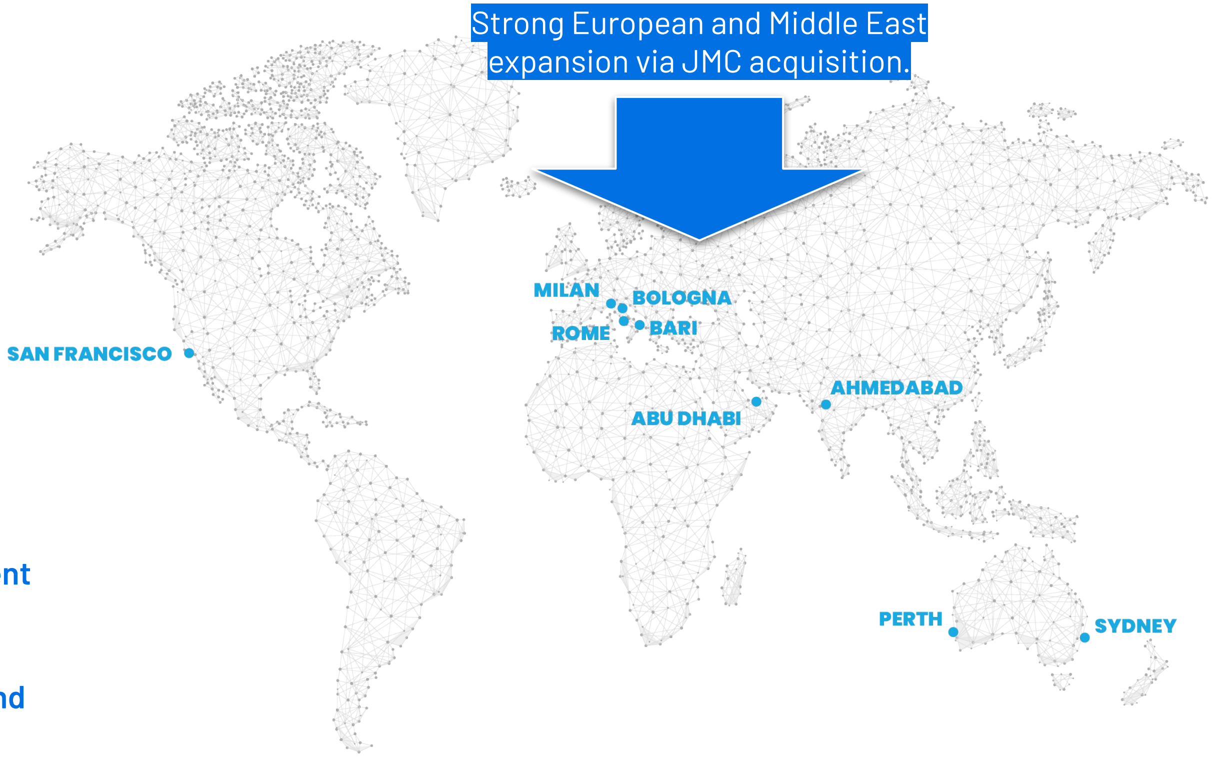


VECTION TECHNOLOGIES

# STRONG EUROPEAN AND MIDDLE EAST EXPANSION

GLOBAL TECHNOLOGY AND SCALE FOR MARKET DOMINANCE

- **Strong European and Middle East expansion** with addition of 3 direct offices.
- **Strong distribution network across the EMEA** (Europe, Middle East and Africa) region, via **DELL and Toshiba Tec.**
- **100+ combined team** across 3 key geographies: EMEA, Americas and Asia Pacific.
- **Strengthened European management** and **Northern European sales team.**
- Company ready to **deploy at scale and to expand in the U.S.**






VECTION TECHNOLOGIES

# COMPELLING TECHNOLOGY INTEGRATION FOR XR

360° ACROSS THE VALUE CHAIN

Virtual Reality
Augmented Reality
Extended Reality
3D Modeling & Rendering

VECTION TECHNOLOGIES

JMCGROUP® TECHNOLOGY DESIGNER

DataCenter & ICT
IoT
Artificial Intelligence
Media Content Delivery
Kiosk

*Company ICT Infrastructure*

**Design** | **Marketing** | **Sales** | **After Sales** | **Logistics** | **IT**

360° companies' digital transformation via a robust XR foundation.

# COMPELLING TECHNOLOGY INTEGRATION FOR XR

## INCREASING INTEGRATION BENEFITS

Virtual Reality
Augmented Reality
Extended Reality
3D Modeling & Rendering

DataCenter & ICT
IoT
Artificial Intelligence
Media Content Delivery
Kiosk

- Better and faster **technology integration**.
- Better and faster **process integration**.
- Better user **experience**.
- Better **data management & storage**.
- Performances improvement via **hardware and software integration**.
- Definition of **new products features and interconnection opportunities**.
- Easier, faster and more effective **technology scalability in adjacent sectors**.

# STRENGTHENED PARTNER NETWORK

## EXPANDING THE MARKET PROPOSITION

### Software

McNEEL & Associates North America

EPIC GAMES

NVIDIA

AUTODESK. Authorized Developer

Technology Partner Digital Industries Software SIEMENS

Microsoft Partner

ASC27

### Hardware

htc VIVE

hp

logitech G

VARJO

alhua TECHNOLOGY

DELL Technologies PLATINUM PARTNER

TOSHIBA

NTT Electronics

### Service & Industry

M UN ER MOTORVEHICLE UNIVERSITY OF EMILIA-ROMAGNA

LUISS

bi-rex Big Data Innovation & Research Excellence

CONFINDUSTRIA EMILIA AREA CENTRO

TIM

olivetti

KIOSK Embedded Systems

aizoon® AUSTRALIA EUROPE USA TECHNOLOGY CONSULTING

fabbricadigitale



VECTION TECHNOLOGIES

# DIVERSE APPLICATIONS ACROSS A STRENGTHENED HIGH PROFILE CUSTOMER PORTFOLIO

## AEC & Real Estate

mirvac
BLACKBURNE
Zaha Hadid
finbar developing better lifestyles

## Fashion, Retail & Consumer Goods

FENDI CASA
GIORGIO ARMANI
GUCCI
UP

## Machinery

Seda INTERNATIONAL PACKAGING GROUP
coesia
V-Shapes
Bonfiglioli Forever Forward

## Public Sector & Education

TRENITALIA GRUPPO FERROVIE DELLO STATO ITALIANE
Massachusetts Institute of Technology
BALL STATE UNIVERSITY
LUISS Guido Carli

## Service Agencies

E80
olivetti
cosberg innovation

## Automotive & Naval

automobili Lamborghini
FERRETTI YACHTS
VOLVO
MASERATI

## Defence & Military

FINCANTIERI
Other Confidential

## Media & Communication

SKY
TIM GRUPPO TIM
CINETIX

## Healthcare & Pharma

Diversey
CGM CompuGroup Medical
DGSHAPE by Roland
dental art

## Sports & Betting

EUROBET
SKS365
tele ippica

**Vection empowers innovation from a strong XR foundation.**



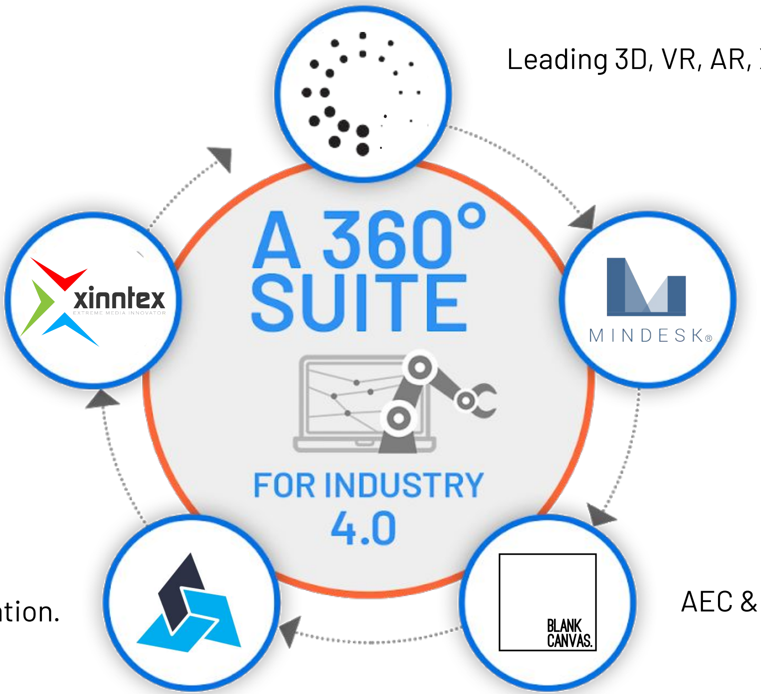
VECTION TECHNOLOGIES

# VECTION'S MARKET LEADING BRANDS FOR XR INTEGRATED SOLUTIONS

Leading 3D, VR, AR, XR product and solutions portfolio.

Media & Communication integration.

CAD and BIM XR integration.




ICT, AI, IoT integration.

AEC & Real Estate 3D integration.

Increasing the core ARR model.

Vection is building a 360° product and solution suite for Industry 4.0
to innovate across geographies and industries.



VECTION TECHNOLOGIES

# IMMEDIATE VALUE ACCRETION – FINANCIALLY COMPELLING

**~5.9x**

Price to FY20 Unaudited Aggregated Revenue Ratio (1)

**~$10.6M**

FY20 Unaudited Aggregated Revenue (2)

**~$0.8M**

FY20 Unaudited Aggregated EBITDA (3)

**~$32M**

Unaudited FY20 Pro-Forma Aggregated Total Assets (4)

(1) Based on 1,033,671,808 shares on issue, being 969,618,516 shares on issues to date plus 64,053,292 shares to be issued under the terms and conditions of the JMC acquisition (refer to the Appendix) and Share Price of 6¢ at 2 July 2021, and aggregated unaudited revenue of $10.6M in the 2020 financial year being the audited revenue for Vection in FY20 plus unaudited revenue for Blank Canvas and unaudited revenue for JMC in FY20 (December year end) based on the AUD/€ exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021) (refer to next slides).

(2) Aggregated unaudited revenue of $10.6M in the 2020 financial year being the audited revenue for Vection in FY20 plus unaudited revenue for Blank Canvas and unaudited revenue for JMC in FY20 (December year end) based on the AUD/€ exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021) (refer to next slides).

(3) Aggregated FY20 EBITDA for Vection (ASX 30 September 2020), Blank Canvas (unaudited) and JMC (unaudited).

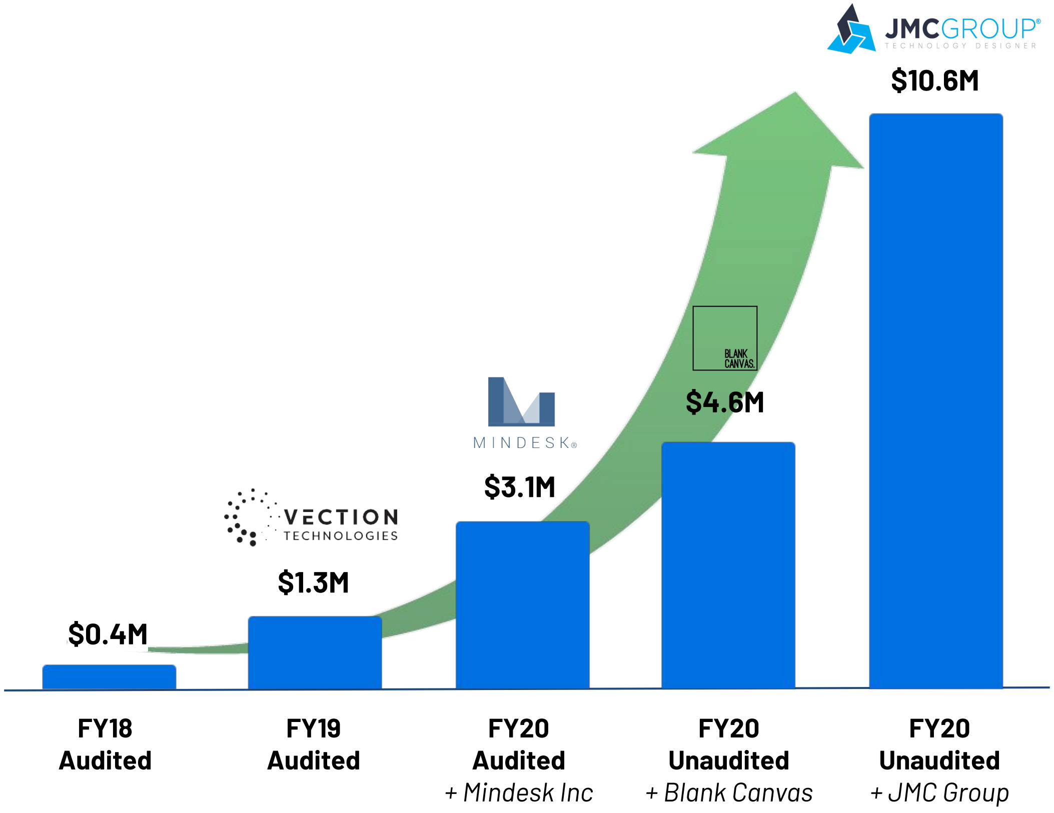
(4) FY20 Pro-forma aggregated total assets for Vection (ASX 30 September 2020), Blank Canvas (unaudited) and JMC (unaudited).



VECTION TECHNOLOGIES

# IMPROVES SCALE, REACH AND MARKET POSITIONING IN A POST-COVID ENVIRONMENT

A HISTORY OF WELL EXECUTED M&A TECH TRANSACTIONS[1]




- Strong history of **growth in pre-covid years.**
- Successful history of **well-executed M&A transactions**.
- Strong **revenue growth opportunity in FY22** with:
  - **JMC** trending upwards towards its historical average following a covid-19 induced revenue reduction in FY20.
  - **Blank Canvas** growing in the local and external markets via Vection's global network.
  - **Vection Health** successfully launched in FY21.
  - **Vection** increasing its core XR offering in 3 key geographies (EMEA, APAC, AMER).



VECTION TECHNOLOGIES

# IMPROVES SCALE, REACH AND MARKET POSITIONING IN A POST-COVID ENVIRONMENT

## FY20 BREAKDOWN

| | | Acquisition of Blank Canvas | | | Acquisition of JMC Group | | |
|---|---|---|---|---|---|---|---|
| | Audited FY20 (1) | Unaudited FY20 (2) | Proforma FY20 (After Blank Canvas) | % | Unaudited FY20 (3) | Proforma FY20 (After JMC) | % |
| **Revenue** | $3.1 M | $1.5 M | **$4.6M** | *48%* | $6.0 M | **$10.6 M** | *130%* |
| **EBITDA (ex-synergies)** | $0.2M | $0.2M | **$0.4M** | *100%* | $0.4 M | **$0.8 M** | *100%* |
| **Shares on issue** | 965.8 M | 3.8 M | **969.6 M** | *0.4%* | 64.1 M | **1,033.7 M** | *6.6%* |
| **Market Cap (4)** | $57.9 M | $0.2 M | $58.2 M | | $3.8 M | $62.0 M | |

**Covid19 impact resulting in reduced revenue and underlying profit during FY20, representing a significant opportunity for FY22 growth for the combined group.**

Strong revenue growth leading to **increased core XR upselling opportunities:**

- > **Increased revenue.**
- > **Increased profitability.**
- > **Minimum dilution.**

(1) Annual report lodged with ASX on 30 September 2020.
(2) Unaudited financials for Blank Canvas.
(3) Unaudited financials for JMC based on the AUD/€ exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021), based on December financial year end.
(4) Share price at 2 July 2021 (6.0 ¢).



VECTION TECHNOLOGIES

# ADVANCING THE 2021 GROWTH ROADMAP

**A successful history of well executed M&A transactions towards building a strong product suite and delivery service for Industry 4.0 and DX.**

| 2019 | 2020 | 2021 | 2021 | 2021 | 2021 |
|---|---|---|---|---|---|
| **Vection** | **Mindesk** | **Healthcare & Pharma** | **Blank Canvas** | **JMC Group** | **Target 2** |
| 3D, VR and AR technologies. Europe based. | Real-time engine for 3D CAD in XR. North America. | Vertical division with strong market knowledge and team for the Healthcare & Pharma industries. | 3D rendering and strong market knowledge and team in the AEC and Real Estate industries. | AI, IOT, ICT Infrastructure and strong European commercial market presence. | XR and strong market presence in the North American market segment. |

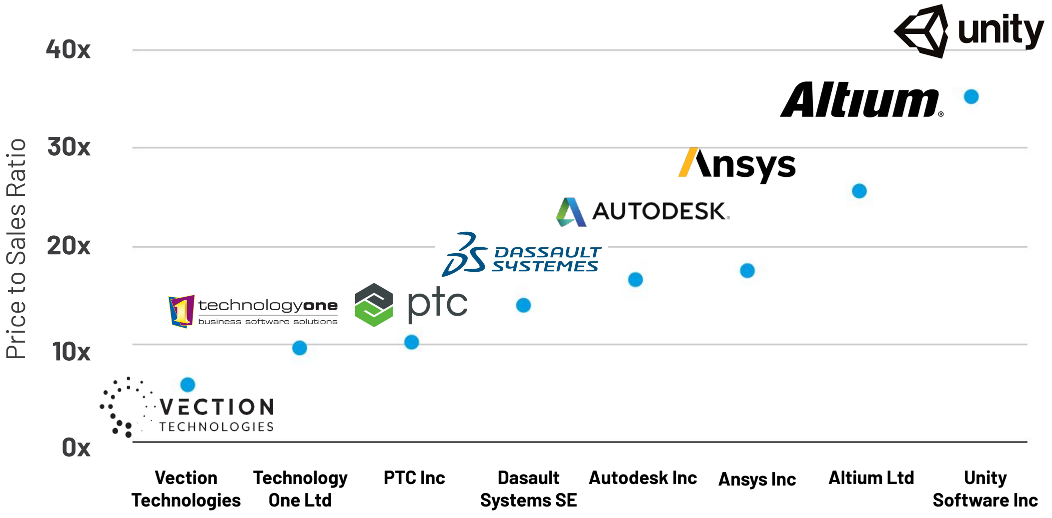
**A targeted approach to seek value accretive M&A opportunities in key geographies, with minimal dilutionary effect.**

# TECHNOLOGY SECTOR MARKET COMPARABLES

## AN UNDERVALUED TECHNOLOGY COMPANY

| Company | Ticker Code |
|---|---|
| **Vection Technologies Ltd** | VR1:ASX |
| **Technology One Ltd** | TNE:ASX |
| **PTC, Inc** | PTC:NASDAQ |
| **Dassault Systèmes SE** | DSY:EPA |
| **Autodesk, Inc** | ADSK:NASDAQ |
| **Ansys, Inc** | ANSS:NASDAQ |
| **Altium Limited** | ALU:ASX |
| **Unity Software Inc** | U:NYSE |

## PRICE TO SALES RATIO*




* Financial information sourced on 2 July 2021.

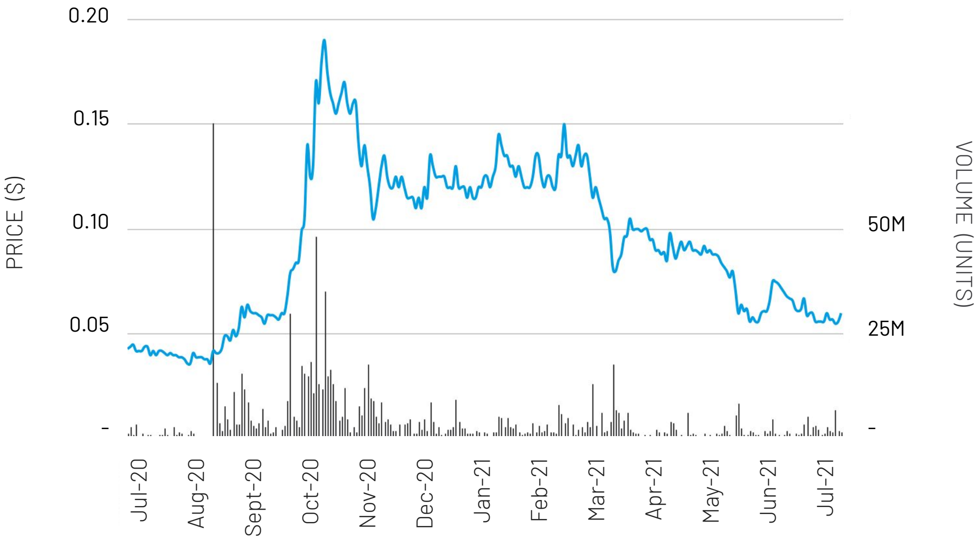
# CORPORATE OVERVIEW

## CORPORATE SNAPSHOT

| | VR1 | + JMC[3] |
|---|---|---|
| Share Price[1]: | 6.0 ¢ | 6.0 ¢ |
| Shares on Issue[2]: | 969.6 M | 1,034 M |
| Market Capitalisation: | $58.2 M | $62.0 M |
| Revenue FY20[4]: | $4.6 M | $10.6 M |

## OWNERSHIP BREAKDOWN[5]


## SHARE PRICE / VOLUME HISTORY




[1] Share Price at 2 July 2021.
[2] Excludes any Deferred Consideration and/or Performance Rights/Shares.
[3] Includes shares to be issued under the acquisition agreement with JMC and consequential metrics.
[4] Aggregated unaudited revenue of $10.6M in the 2020 financial year being the audited revenue for Vection in FY20 plus unaudited revenue for Blank Canvas and unaudited revenue for JMC in FY20 (December year end) based on the AUD/€ exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021) (refer to next slides).
[5] At 30 June 2021.



VECTION TECHNOLOGIES

# Q&A AND INVESTOR CONFERENCE CALL DETAILS

Vection's management will host a conference call on **Wednesday 7 July 2021 at 12.00pm AEST** to discuss the acquisition of JMC.

Participants must register in advance for the investor call using the following link to receive dial-in details: https://zoom.us/webinar/register/WN_hxVwBgxSQHqdqKesT4ntXA

After registering, you will receive a confirmation email containing information about joining the webinar.

**Please share your questions in advance to the Company at AUpress@vection.com.au**



VECTION TECHNOLOGIES

# APPENDIX - TRANSACTION SUMMARY

| | |
|---|---|
| **Conditions Precedent:** | Completion of the acquisition is subject to and conditional upon satisfaction of a number of conditions on or before 30 September 2021 (or such other date as agreed between the parties in writing) including, but not limited to:<br>1. Completion of due diligence at Vection's sole satisfaction;<br>2. The parties obtaining all relevant approvals from regulators and third parties;<br>3. The parties entering a full form sale and purchase agreement to more fully document the terms of the acquisition; and<br>4. Mr Jacopo Merli entering into an employment agreement with JMC and the Company on terms acceptable to the parties. It Is agreed that subject to compliance with the ASX Listing Rules, that Mr Jacopo Merli's remuneration will include 3 performance rights (to be issued under the Company's Employee Incentive Scheme) with each performance right to vest in €100,000 worth of shares (with a floor price of A$0.10) on the achievement of relevant milestones over the first 3 years of the employment agreement. The relevant milestones will be agreed as part of the employment agreement. |
| **Consideration for the Acquisition:** | At completion of the acquisition, Vection will issue to the shareholder of JMC, Mr Jacopo Merli, €4,000,000 worth of fully paid ordinary shares determined at an issue price of the higher of A$0.10 and the volume weighted average price of the shares for the 5 trading days prior to settlement.<br><br>The Company confirms that the exchange rate to be used will be the average RBA AUD:EUR exchange rate for the 2021 financial year. Based on exchange rate of 0.62448 (being the average RBA exchange rate for the financial year to 30 April 2021), the maximum number of shares to be issued will be 64,053,292. The Company will issue these shares under its Listing Rule 7.1 capacity and accordingly, no shareholder approval will be required for the transaction. The consideration shares issued will be subject to voluntary escrow for 18 months from settlement.<br><br>The Company expects for the transaction to settle in July 2021. |



VECTION TECHNOLOGIES

**Investor Relations Contact Details**

Gianmarco Biagi - Managing Director (Europe Based)
Email: gianmarco.biagi@vection.com.au
Phone: +39 051 0142248

Gianmarco Orgnoni - Director and COO (Australia Based)
Email: gianmarco.orgnoni@vection.com.au
Phone: +61 8 6380 2555

**vection.com.au**
**mindeskvr.com**
**blankcanvas.studio**
**jmcgroup.it**

VECTION TECHNOLOGIES

## APAC
Perth
Sydney
Ahmedabad

## EMEA
Milan
Rome
Bologna
Bari
Abu Dhabi

## AMER
San Francisco