

22 June 2022, Australia

ASX RELEASE**LEVEL 1 AMERICAN DEPOSITARY RECEIPT PROGRAM**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), the INTEGRATEDXR™ company, today announced it will sponsor an American Depositary Receipt (ADR) program to increase Vection Technologies' exposure and attractiveness to North American investors and partners.

Deutsche Bank Trust Company Americas (Deutsche), a leading global investment bank, has been appointed depositary bank for the program. This appointment is expected to enhance the Company's name recognition in the U.S. with the vision to become a globally recognised technology company.

The program became available for trading in the US on Tuesday, 21 June 2022. Vection Technologies' ADR will trade in the US over-the-counter (OTC) market under the symbol **VCTNY**. One Vection Technologies ADR represents 120 existing ordinary shares.

An ADR is a trading instrument priced in U.S. dollars that allows U.S. investors to buy shares in non-U.S. companies without the need for cross-border or cross-currency transactions. The establishment of the ADR Program is not a new offering of securities; therefore, no additional shares will be issued, nor any additional capital raised.

The Company's ADR will complement its existing primary listing of ordinary shares on the ASX. This strategic initiative represents a steppingstone to a potential future transition from a Level 1 ADR program to a Level 2 or a Level 3 ADR program, allowing for the ADRs to be listed on the Nasdaq Stock Market, subject to the Company's future plans and general market conditions.

Frequently asked questions and answers in relation to ADRs are annexed to this announcement.

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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.

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.

ADR FREQUENTLY ASKED QUESTIONS (FAQs)

The following FAQs and answers in relation to ADRs are for information purposes only and may not contain all information that may be important to you.

What is an American Depositary Receipt (ADR)?

An ADR is a negotiable US dollar denominated certificate representing ownership of share(s) in a non-US company. Holders of ADRs receive dividends in US dollars (if applicable) and have the right to vote on shareholders resolutions (if applicable). The term ADR and ADS are often used interchangeably. ADRs were specifically designed to facilitate the purchase, holding and sale of non-US securities by US investors.

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What is the difference between a sponsored and unsponsored DR?

DR programmes are either "sponsored" by an issuing company or "unsponsored". If a company sponsors a DR programme, it enters into a contractual agreement with the depositary bank (and, in the case of an American Depositary Receipt programme governed by US-law, also with the holders of the ADRs). This contractual agreement is known as the "deposit agreement" (see further, below).

A DR programme may also be "unsponsored", meaning that it is set up without the company's participation or even its consent. A depositary will typically establish an unsponsored DR programme only if it believes that there is sufficient interest in the company's shares to generate adequate fee income, or if a broker-dealer has requested such a programme and agreed to assist with the expense.

While unsponsored DRs are issued without its co-operation, the foreign issuer must be a reporting company under the US Exchange Act of 1934 or have obtained an exemption under Rule 12g3-2(b) from the reporting requirements of that Act. Typically, the Depositary will request a letter of non-objection from the issuer before establishing the programme. Furthermore, the SEC staff takes the position that an unsponsored programme may not coexist with a sponsored programme for the same securities because of resulting market disorder.

What is the difference between a Level I, Level II and Level III programme?

Level I

A Level I sponsored ADR program is the easiest and least expensive means for a company to provide for issuance of its shares in ADR form in the US. A Level I program involves the filing of an F-6 registration statement, but allows for exemption under Rule 12g3-2(b) from full SEC reporting requirements. The issuer has a certain amount of control over the ADRs issued under a sponsored Level I program, since a depositary agreement is executed between the issuer and one selected depositary bank. Level I ADRs can however only be traded over-the-counter and cannot be listed on a national exchange in the US.

Level II

A sponsored Level II ADR must comply with the SEC's full registration and reporting requirements. In addition to filing an F-6 registration statement, the issuer is also required to file SEC Form 20-F (see chapter 6 for details) and to comply with the SEC's other disclosure rules, including submission of its annual report which must be prepared in accordance with US Generally Accepted Accounting Principles (GAAP). Registration allows the issuer to list its ADRs on one of the three major national stock exchanges, namely the New York Stock Exchange (NYSE), the American Stock Exchange (AMEX), or the National Association of Securities Dealers Automated Quotation (NASDAQ) Stock Market, each of which has reporting and disclosure requirements. Level II sponsored programs are initiated by non-US companies to give US investors access to their stock in the US. As with a Level I program, a depositary agreement is signed between the issuer and a depositary bank.

Level III

Level III sponsored ADRs are similar to Level II ADRs in that the issuer initiates the program, deals with one depositary bank, lists on one of the major US exchanges, and files Form F-6 and 20-F registration statements with the SEC. The major difference is that a Level III program allows the issuer to raise capital through a public offering of ADRs in the US and this requires the issuer to submit a Form F-1 to the SEC.

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Who, or what, is the Custodian?

The Custodian is the foreign correspondent bank of the depositary, with whom the company's underlying shares have been deposited. The custodian is usually situated in the same country as the company, but this is not always the case. On receipt of the company's underlying shares from an investor seeking to create DRs, the custodian will confirm such fact to the depositary and therefore allowing it to issue the equivalent number of DRs to the investor delivering the shares.

What are the benefits of ADRs to US investors?

US investors may prefer to purchase ADRs rather than ordinary shares in the Company's home market because ADRs trade, clear and settle according to US market conventions. ADRs allow US investors to diversify into non-US securities, relatively easily.

Why is Vection Technologies seeking to establish an ADR program?

Vection Technologies is seeking to establish the ADR program to make it easier for US investors to invest in the Company. ADRs are easier for US investors for reasons including reduced administrative costs and U.S. dollar denominated capital gains realisation.

What effect do you expect the ADR program to have on your shareholder base?

The Company expects that the ADR program will generate stronger interest from U.S. investors.

What types of companies issue ADRs?

ADR issuers are typically large corporations with primary listings outside of the US. Any non-US company seeking to raise capital in the US or increase their base of US investor can also issue ADRs.

Who is Vection Technologies' depositary for ADRs?

Deutsche Bank Trust Company Americas is the depositary bank for Vection Technologies' ADR program. The depositary bank plays a key role in issuance as well as cancellation of ADRs. It also maintains the ADR holder register, distributes the dividends in US dollars (if applicable) and facilitates the exercise by the ADRs holders of their voting rights (if applicable).

What is the difference between a registered ADR holder and a beneficial ADR holder?

A registered holder is the party whose name appears on the books of the depositary bank. The registered holder is considered the owner of record. A beneficial holder is the ultimate owner of the security, whose holdings are registered in a name other than their own, such as in the name of a broker, bank or nominee.

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