

# Vection Technologies

Integrating with ChatGPT to enable intelligent VR

Technology integration

Software & comp services

22 May 2023

**Price** **A\$0.04**  
**Market cap** **A\$47m**

Net cash (A\$m) at 31 March 2023 8.9  
(including H123 lease liabilities of A\$0.4m)

Shares in issue 1,127m

Free float 49%

Code VR1

Primary exchange ASX

Secondary exchange OTV (VCTNY)

## Share price performance



## Business description

Vection Technologies, an Australia-based technology company, 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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Vection Technologies recently announced the integration of ChatGPT into its flagship product, 3D Frame, enabling the creation of an artificial intelligence (AI) assistant within three dimensional (3D) and virtual reality (VR) environments. We believe this is a good example of an enterprise quickly integrating third-party AI to deliver a significant enhancement to its existing products within a timescale (and budget) that was unimaginable 12 months ago.

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	(0.4)	(2.5)	(0.27)	11.2	13.6	2.2
06/22	18.9	0.9	(7.0)	(0.67)	2.1	2.5	10.8
06/23e	26.1	3.7	(6.4)	(0.59)	1.5	1.8	11.5

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

Vection's 3D Frame is a simple-to-use metaverse app designed to help enterprises conceptualise, plan and present products in 3D or VR. It is a 'no code' platform, enabling virtual environments to be created without the use of specialist software skills or staff.

3D Frame has been core to some of Vection's latest contract wins. These include the memorandum of understanding to develop the first VR metaverse platform to promote space travel (in partnership with Thales Alenia Space, Next One Film Group and ALTEC) and in the real estate sector.

The integration of ChatGPT will initially enable clients to add an AI assistant quickly and easily into their 3D/VR presentations. With the integration of ChatGPT, 3D Frame clients can tie the responses of the AI chatbot to their 3D models and animations. The announcement included a [video demonstration](#) showing how an AI assistant can be used in the 3D Frame virtual environment.

Beyond this, ChatGPT has the potential to interact directly with 3D Frame's features, opening up new possibilities for more complex and customised interactions with the virtual environment.

Management has set out its commitment to pioneer the integration of AI and extended reality (XR) technologies, collaborating with third-party specialists rather than focusing on proprietary AI development to bring usable solutions to market quickly. In late March, Vection also announced a partnership with Expert.AI (EXAI.IM) the Italian natural language processing AI specialist, aimed at making technical manuals easier to understand by combining XR and AI.

Additionally, on 11 May, the company confirmed the receipt of a A\$1m tax refund from the Italian government, which should support its robust balance sheet and M&A pipeline, as highlighted in our previous [note](#).

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