

Welcome everyone.

Today I'm really thrilled to be welcoming Vion Technologies, executive director Lorenzo Biji.

To our Screens,

Vion is a software company whose core product, integrated xr combined spatial computing with artificial intelligence to create immersive data rich environments.

More plainly said, it uses vr, ar or extended reality to help with things like training, design, education, remote collaboration, simuli, uh, simulation, product visualization, um, things that are used across a variety of industries.

Defense stands out, I'm sure we'll talk about that.

Healthcare education, of course, just general commercial enterprise as well.

Uh, over the last few years, v has really evolved from a, a niche sort of player into an enterprise focused technology group that has operations in Europe, in, uh, the Asia Pacific.

In the US there's 200 people at the company, and last year they reported around \$36 million in revenue.

And importantly, too tipped into an underlying, uh, positive EBITDA results, which is always, always good to see.

Um, interestingly of late, we've seen some impressive contract wins.

We've seen a, uh, acquisition, and the, the company has just completed a rather sizable capital raise as well.

So there's a long runway here for it
to chase the opportunity it sees in front of it.

So, really excited to get into this one.

A lot of cool tech, uh, to, to unpack
and also, of course, understand the business case.

Before I welcome Lorenzo to the screen.

Just remember, none of this is financial advice.

Uh, I can see some great questions have already come
through, and if any come up while we're chatting, just use
that Slido link and, um,

we'll get to them as soon as we can.

Uh, Lorenzo, thank you so much for your time today.

Hi, Andrew. Uh, good afternoon,

and thank you very much for having me with you, uh, today.

I appreciate it very much. Uh,

We appreciate it too.

Um, now I, I always try

and give a, a, a high level sort of brief overview there.

How did I go with my description?

Uh, maybe you could put a bit of flesh on the bones for us.

Let you nailed it. Okay.

I mean, let me tell you, you a hundred percent perfect.

A hundred percent accurate. Beautiful. Excellent.

I couldn't have any, any, any better than you.

Well, let, let me, let me ask it this way then,

because, um, you know, cool tech is cool tech and,

and there's a lot to be said, you know, with augmented

and extended reality and, and ai.

Let's talk about the business case, though.

What's the value proposition that you are bringing to your customers now?

It will depend on the particular customer in question, but, you know, maybe help us understand it a little bit better for those of us who haven't come across the company before.

Yeah, sure. Well, what we do for our clients is basically that what we try to do is, is to solve their problems.

So, uh, that, that means specifically, uh, turning, uh, let's say a traditional process into something digital.

That's what we mainly do. Mm-hmm.

And, uh, and so, uh, from that perspective, we are more, I, I I would yeah, define action as a solution provider more than a technology provider per se.

So, right. Uh, it's all about, it's all about it listening.

Uh, what, what is, uh, what is the trouble, uh, the, the client is, is facing, and try to figure out a combination of technologies, uh, comprising extended reality, artificial intelligence and hardware, uh, packed together to basically put together a, a, an effective solution for them.

Okay. Um, for those that aren't familiar with the term extended reality, I think we've all heard of VR and augmented reality.

Tell us a bit more about what extended reality means.

Well, uh, extended reality is just an overall definition,

which comprises all the technologies ranging from, uh, virtual reality up to, uh, augmented reality and everything in between, mixed reality, uh, and, uh, all these kind of, uh, different nuances of the same technologies combined together.

So it's a, it's an overall description of, uh, of those immersive and interactive technologies we heard about for the last, uh, three to five years. Yep.

Um, maybe help us understand, um, the technology by way of an example.

I know that defense is very much in focus, uh, at the moment.

Yeah, yeah. You know, for all the, for all the wrong reasons, but, um, it is, it is something that I agree that is in focus.

Um, how would A-A-A-A-A military operation, uh, use your technology?

What are some of the use cases that they, that they might be interested in?

Yeah. Well, uh, Andrew, as you can guess, uh, it, it, it's all classified.

So there is not much of a detail that I can share, but still, I can give you like a high, high, high level description of the technologies we provide.

The, uh, defense department with, which basically consists of a combination of, uh, hardware and AI driven software, uh, which, uh,

which is basically, we call it myth to be mission critical.

So it allows soldiers in field to ingest data, analyze data, and take real time decision while carrying their, uh, everyday operations in field.

So it, it's, uh, basically a very powerful Dell machine, uh, equipped with Nvidia technologies and highly customized by us, uh, uh, equipped with, uh, artificial intelligence based, uh, type of softwares that yeah, basically that's, that, that's what it is all about.

And that's the, how the soldiers in fields were use it.

And on the other hand, we use the same type of technology, which is still a combination of software and hardware, but for more for like, uh, I would say, um, cybersecurity purposes.

So it's all about protecting, like, uh, strategic infrastructure, uh, of a nation, like, you know, communication infrastructure, energy infrastructure and such.

So, uh, it's all about, uh, like, um, for, for to to be used by intelligence agencies.

See, that's really interesting.

I, I had assumed that a lot of it would be for training, and I'm sure some of it is for training, but actual live in the field implementations of this technology as well. Correct? Correct.

Yeah. Correct. Correct. Yeah.

That's what it, what what we are doing the most. Yeah.

But still, we are, uh, now exploring other applications

because yeah, of course, the technologies we, uh,
we can provide, uh, to any sector, uh,
and as well as to the defense sector, uh, can very much, uh,
you know, uh, extend, uh, to simulation training
and, uh, all these, you know, kind of applications.

And so, uh, defense would, would be no exception.

And so, uh, we are currently exploring, uh, the opportunity
to put together a specific team for, uh, you know, uh,
developing the defense sector.

And, uh, we are very much willing to,
because Yeah, of course, when it comes
to the defense sector is, uh, pretty much, uh, you know,
I would say bespoke, customized kind of development you have
provided them with, because yeah, they have very, very,
very specific needs.

Yeah. Uh, but other than that,
there are multiple areas like, uh, maintenance
of technical equipments
and such, uh, that can be covered by standard products.

And so, uh, what we are willing to do is
to explore the opportunity to develop standard products, uh,
which can be deployed across the, across the,
the defense sector.

And, uh, hopefully, uh, I would say, uh,
on a worldwide basis,
because now we are mainly focused in Europe.

Right. Um, um, help us understand too that the,
the product, as it might present to the end client here,

so I I, you, you guys aren't making the headsets yourself.

Uh, you know, it's more the software that's sort of behind that, or, or maybe I'm wrong.

Maybe there's some, um, give us the balance of the, of the hardware and the software and how that's packaged together for an, for an average client.

Uh, look, Andrew, uh, here, inve, we are like a hundred percent, uh, software developers.

Okay. So when it comes to, to, well o other than, uh, a specific area of the company where we develop machines, uh, like I I, these, you would call them like kiosks or totems, but I, I prefer to call them up computers

because these are beautiful and super powerful machines that we, uh, design, engineer and manufacture here in Italy, uh, which are basically used for, uh, mainly for retail, uh, retail purposes.

Mm-hmm. Uh, but other than that, which is a very specific area of the company, all the rest is about software development.

So we don't actually produce, uh, ad sets, for example, we, we, uh, uh, we use them as a platform, uh, as, uh, as a tool, I would say, uh, for deploying our technologies with, uh, by our clients.

So, uh, we, it, it happens sometimes that we also have provi to provide our clients with headsets and immersive technologies, uh, as well.

But as action, we are only developing software solutions.

And what we do, uh, is developing platforms.

So along the years, well, we started, you know, we started by developing custom projects only for our clients.

Mm-hmm. So it was a hundred percent, uh, bespoke type type of approach.

Mm-hmm. But then, uh, along the way, we managed to, uh, to put together our own, uh, intellectual property, uh, our own own platform, uh, which can be, uh, deployed, uh, by the SaaS model, uh, if, if it means, uh, something to you.

Mm-hmm. And so, uh, yeah.

Uh, so that's, that's

what we are providing our clients with mm-hmm.

Software solutions that might be comprising, uh, a part of professional services and, uh, custom development.

So the blend, uh,

on the overall revenues we are putting together is about 34, 30 5%, uh, SaaS model, which means, uh, annual recurring revenues.

And, uh, another third of our, let's say 30, well, a little bit more 30, about 38% is still about professional services and custom development.

And then the remaining part is all about hardware. So that's the blend.

Yeah. And nice. Um,

you gotta love those subscription, uh, contracts.

They're always nice for recurring revenue.

Um, uh, and so what, what's the sales process here?

How do you I, I mean, it's a, it's a conundrum

that we often come a a a across with,

with all businesses, right?

You first you develop the technology, you've got something

that's commercial and ready to go, then you've gotta sort

of knock on doors and, and get people to buy the product.

Can you give us a sense of

how Vection goes about getting those doors to open and,

and getting those signatures on the bottom line,

Getting the signatures on the bottom line?

Mm-hmm. That's, that's what matters the most. Yes.

Uh, well, uh, we, uh, we basically have two,

uh, two different approaches.

One, the first one being, uh,

through our direct sales force.

Yep. Uh, which is, uh, which is, uh, an area of the company.

We, we are basically,

we have basically structured our company to be, uh,

comprising a number of verticals inside the company.

We, we call them business units.

And so those business units are very vertical, uh,

on specific markets like, uh, you know, uh,

aerospace and defense.

Mm-hmm. Uh, I am fashion

and furniture, industrial manufacturing

and automotive, healthcare, uh, retail.

So these are all vertical, uh, vertical teams mm-hmm.

Uh, that are basically tackling, uh, specific markets

by themselves, knocking doors

and, uh, making like, you know, uh, marketing campaigns

and, uh, events

and by participating to exhibitions and such.

And then there is the, another channel that we have started

to develop very significantly, which is all about, uh,

leveraging, uh, on, uh, the Salesforce of, uh,

strong, big companies.

We are partnering with, um, namely I would say, uh, Xerox,

Dell, and Accenture, and, uh, uh, Nvidia, Amazon.

So these are all companies.

We are, uh, building a very strong, uh, sales relationship.

And so we expect to have, uh, significant, uh,

significant revenues from that channel too.

So mainly is, is from, uh, through our direct sales force,

but, or what we are willing to, to do is to scale up, uh,

by leveraging on the significant partnership we have been

able to put together along the last five years.

And let me tell you, Andrew, it, it,

it's been pretty challenging for, for example, for Dell.

Uh, we are, uh, titanium partners

and, uh, here in Italy, uh,

there are only two titanium partners, one of which is us.

And, uh, you, you really have to go

through very strong due diligence

and tests for them to perceive you as a viable, uh,

top tier partner.

So, yeah. Uh, yeah, it's kind of, uh, kind of challenging,

but at the same time makes us very proud.

So, uh, yeah, we really hope in the, in the near future,
they will, uh, yes, basically, uh,
put together significant revenues for us
as well, and not only for them.

Yeah. I mean, one of the, uh, I mean,
this is probably a good problem to have,
but one of the challenges I imagine for v is
that you've got a, you've got a technology solution
that has very broad applicability from
military people in the field to someone designing furniture.

Right. How do you, how do you select
what industries you want to go into and focus on?

Because, you know, one of, there's only
so much any one team can do, and new teams and new costs,
and some, some segments will be going
faster than the others.

It's all a balancing act.

On one hand, you don't wanna miss opportunities.

On the other hand, you don't wanna spread yourself too thin.

How do you, how do you sort of find the right balance
between those two extremes?

Well, uh, let me tell you, uh,
once you have your technologies in place, uh,
at least that's what we do.

Uh, yep. We usually, we usually never say no.

So EE every, every time an opportunity shows up,
we always, we always check it out.

Mm-hmm. Because, uh, uh, there is always, uh,
there is always a way for us to, uh,

to include those opportunities within
one of our business units.

And so, uh, once you, you can identify, uh,
which market these opportunity belongs to,
there is always a team that can very much, uh, which is, uh,
let's say, very much willing to take care about it.

Yeah. And so, uh, it, it's not like, uh,
having a dispersive approach.

It's more like, uh, never say no.

Uh, so take, take your opportunities and, uh, and,
and grab revenues, uh, until there is time, as long
as you can do it.

Yes, for sure. So,
when you do look out across the various segments
and industries that you service, what are the ones
that you see the most potential on?

Well, two, two questions, I suppose.

Which, which segment
or vertical is showing the most promise to date?

And which one are you most excited
about in terms of the future?

Well, the, the, the, the, the sector that is, uh,
showing the most traction right now is of course,
and, uh, as you said at the beginning,
for all the wrong reasons, is the defense space for, uh,
obvious geopolitical reasons, even if the
situation is starting to look slightly better.

Yeah. There is, uh, there is, yeah.

The situation is, is not, uh, uh, yeah, not,
is not good on a, on international level.

Yeah. Uh, and so from that perspective is beneficial to, uh,
players within the defense space.

Yeah. And so the defense, uh, will be, uh, the last year,
uh, represented about, uh, 16 to 17%
of our overall revenues.

Okay. And we, we are expecting, uh, we are expecting it
to double up along the current fiscal year.

So we are expecting to, to have one third of our, uh,
overall revenues for the fiscal year, 2026 mm-hmm.

Uh, happening, happening within the defense space. Yeah.

And then, uh, the, the second, the second, uh,
most significant, um, sector, uh,
that I see happening in infection is, uh, is retail.

So, uh, everything that you think of, uh, with, uh, like,
uh, a, B two, B2C type of business model.

Mm-hmm. So we start to businesses
and then, uh, those businesses use our technologies
to go towards the, the consumer market.

And, uh, so, uh, everything from like, uh, uh,
touristic application, uh, uh, hotels, uh, you know,
museums, these kind of things.

Yeah. Uh, retails shops, uh, you name it, uh, every,
everything where there is, you know, a direct contact
with the, with the consumer market,

and then you, you need to share information
to have an interface to communicate with those guys.

And so this, this is a very much an area where we can, uh,

uh, we can, uh, grow, grow up very much.

Mm-hmm. And also, also, education.

Education is something that is, uh, very beneficial, uh, when it comes to our technologies, especially, uh, when you consider a combination of extended reality, which has proven to be very effective, uh, within the education and training space, especially technical training.

Uh, and so, uh, when you combine extended reality, uh, with artificial intelligence, so you can have like, uh, you know, a smart agent supporting the, the training sessions, uh, and also you can, uh, you can leverage on, uh, artificial intelligence also to put together training contents.

So you can ask the artificial intelligence to create your, uh, training sessions.

And then maybe, uh, yeah, you need to, to go through the training session and, uh, and make, make a few touchups here and there to correct mistakes or something that can, could have been done better.

And then, and then you're good to go.

And so these are the areas where I see, uh, the most potential for our technology, our, the application of our technologies.

That's fascinating. I, I don't, I don't want to dwell on the, on the defense side of things,

but recently, uh, we've spoken to Drone Shield,

it's also on the a SX

and O, obviously a big, a big client for them is, uh,

d defense, um, operation or organizations.

And one of the things that, uh, we've learned there was that

to, to be able to sell into that market, you need all kinds

of, um, authorizations

or, um, you, you need, you need

to check certain boxes, uh, correct.

And it can be quite difficult to get,

but then once you've got it, it's kind of a bit

of a competitive advantage.

Are you guys having to deal with the same kind of issues?

And, and, uh, and on that front, I,

how far progressed are you in terms of being able

to be a preferred seller to say the US military or

or another large military organization?

Well, uh, yes and no.

Uh, so, uh, I confirm that there is, uh, the, well, uh,

there, there are a number of, uh,

compliance issue you have to, you, you have to face, uh,

while, uh, you know, trying to,

to get big within the defense space, uh, we basically, uh,

avoided the obstacle by working for a partner,

which is an authorized dealer, uh, for, for NATO.

You know what I mean? Yeah. So they have they, uh,

the old struggle is on them.

Right. On. You know what I, what I mean? Yes.

And so they, they had to, you know, collect certifications

and such compliance procedures and, uh,
and blah, blah, blah, blah, blah, while, uh, we can, and so,
but we had to be like, uh, authorized to, uh,
to sell our technologies to them.

Yeah. And so it's been a, it's been a very long process.

So we started, we are starting now
to collect very significant results
where within the defense space,
but as a matter of fact, we, uh, we have been working
with those partners for the last three to five years,
and going from a, from a POC to a pilot project,
from a pilot project to another POC
and from another POC to another pilot project,
and now we are starting to roll out our technologies and,
and scale up and, uh, you know, being awarded
with a more significant, uh, significant contract,
as you probably saw from
what we have announced in recent times on the A SX.

So, yeah. Uh, especially when it comes to, uh,
the defense space, we have been awarded with like, uh,
I would say 15 to 20 mil, uh,
worth contracts, uh, within a, a,
a larger framework agreement, uh, which now, uh,
gives us a perspective of additional, uh,
another 22 million, uh, happening, uh,
along the, the, the next three to five years.

So yeah, it's, now, now, yeah.

It, it's the moment to, to, to collect a few re good,

good results, you know, uh, after a long story.

And let me tell you, uh, you agree when you say which, uh, that is, uh, it represents a real competitive advantage because, uh, defense player, uh, perceive as a very big disadvantage to change, uh, their suppliers, to change their network.

So, yeah. Uh, as long as you keep on being reliable, uh, as long as you keep on, you know, making promises and then deliver, making promises and then deliver, they are not going to change you.

Yeah. So, uh, whenever, uh, NATO put puts in places, uh, long-term programs, and they have, uh, they are awarded with those programs, then, uh, you know, it'll happen for you as well.

Yeah. If you don't mess up, of course. And we are not. Yes.

Yes. We are not, we, we are not going to do that.

Yes. Nice one, nice one.

Um, one of the other, and again, these are the, these are the, the best problems in the world to have, but, um, correct.

When you go from like this smallish company and you're, and you're growing very fast,

I'm looking at your presentation deck, you know, in, in 2021, there was hardly any revenue.

We're at \$40 million in revenues, uh, as of 2025, just shy of that. Um,

You're shy of that. Yes.

How, how much flex do you have in the current cost space to, to be?

So, you know, all these new contracts come in.

And, and why I say it's a problem is

because these have to be fulfilled.

Uh, you know, each person can only do so much work.

Where do you think the business is in terms of,

of its cost space at this point in time?

Do you feel as though there's still,

there's still further growth to do

as you bring on more people and more capacity?

Or is there, are you at, and it's, the reason I ask is

because you very much just tipped into profitability

on an underlying basis.

So it's, it's, we always pay attention to that

because it, it shows operating leverage,

and there are a lot of examples on the A SX

where revenues grow, grow, grow, but,

but costs grow, grow, grow as well.

And then sort of like, there's no profit at the end of it.

Um, can you give us a bit of a sense of how you sort of, um,

uh, where you sit

and how much flex you have in, in the cost space?

Well, uh, now we, uh, we have about, uh, 17

to eight mil, uh, 18 mil, uh, of fixed cost.

And we are not expecting it to, uh, to grow significantly

because as I said

before, our technologies are already in place.

So we have invested a huge amount of money, uh,

along the last, uh, five to six years

to develop our own ip, our own technologies.

And now the technology is there. Yeah.

Which is a combination of something that we have developed in-house, and something that we have acquired thanks to our m and a, uh, strategy along the way.

Yes, yes. Uh, but still now the technology is there already.

So of course, there will be investments that we have, we, we will have to go through, uh, to, to, to maintain and to, to keep on, to keep those technologies up to date and to maintain and good work in order those technologies.

But then there is no significant amount of money that we'll have to invest to develop the technology because it's already there.

Yes. We, uh, our, our focus now is to, uh, expand as much as possible, these 34 to 35% of annual recurring revenues I was talking about a few minutes ago.

Yeah. Uh, because that, that's what you expect from a company like us, uh, like ours.

And so, uh, and so, uh, we don't expect the, the fixed cost to, to, to grow significantly, uh, because the, the investment part has been done already.

And also, uh, even if we would, uh, as we will, uh, keep on going with our, uh, forward with our, uh, m and a strategy, uh, we are no longer willing to implement new technologies.

Yeah. We are happy with what we have already.

Uh, we don't, we, we are looking more for like, you know,

expanding our international footprint, uh, you know,
getting more people in stuff, more earnings, more revenues.

Uh, that's, that's what it is, more clients.

And so we don't need any more technologies.

And so, uh, investment wise

and cost wise, we don't expect it to, to, to,

to grow significant other than, yeah, maybe we,

we could lay raise from 17 to 18 million

or something like that, but we are expecting our revenues

for, uh, to growing from, uh, uh, about 38 to 40 mil, up

to 60 to 70 mil.

So yeah, there is a big bigger,

a bigger gap, you know what I mean?

Yes. So, uh,

and, uh, so yeah, we, the, the cost is not going to, uh,

to be, uh, big gonna be of an impact on, uh,

on the overall performance of the company. Yeah.

That's, that's nice too. And I, I should, I always hasten

to add with our guests too,

I don't think there's anyone in our group who, who, um, who,

who misunderstands the nature of business in the sense

that money must always be invested upfront,

and that that's not a problem.

As long as it delivers a return on

investment, then that's good.

In fact, of course, we made the point just yesterday

with another guest, if you've got a great opportunity

and you're very highly confident of, of a return there,

then borrow, raise money, do whatever you have to do.

Right. Because otherwise you,
you're leaving money on the table.

So I just, I just, I definitely make that point.

Um, but also you just mentioned then, uh, acquisitions.

Um, this would be a good chance to sort of talk about sort
of the thinking there, and,

and maybe you could walk us through the rationale
behind the DX Labs acquisition, how that Correct.

Augmented things for you and Yeah, and,
and perhaps what else you might be looking
for in a future acquisition.

Yeah. Uh, well, uh, there, uh, the,
the DX Labs acquisition, uh, has been a very, is is,
is a very nice opportunity for us to,
to strengthen our position, uh, within, uh,
the Australian territory.

Mm-hmm. Uh, DX Labs is a very, very healthy business, uh,
working within the digital transformation space.

Uh, they don't actually have their own, uh,
intellectual property.

As I, as I said before, we are no longer looking for, uh,
additional ip Yeah.

To be implemented with the, within our, uh, tech stack.

But they are working with, uh, with government agencies, uh,
with, uh, across, across Australia.

Uh, they work, uh, within very interesting, uh,
industrial spaces.

And, uh, and we really believe they could be a good channel

for, uh, for our technologies to be deployed, uh,
across the Australian market.

And so, uh, that's, that's what it's all about.

Uh, as I said before, we are, we are looking to expand, uh,
our international local presence, uh, get more people
and stuff, get more opportunities to, uh, upsell
and cross sell our technologies, get more, uh, clients,
more revenues, more earnings.

And so, uh, DX Labs is no exception
and also is, uh, uh, uh, it represents our will to,
to grow significantly within, uh, the Australian territory.

Because even if the company, uh, was, let's say,

I would say was born

and raised here in Europe, uh, as a matter of fact,
we are an Australia, an Australian company.

And so even if the most the, the most significant part of the,
uh, of our business is happening here in Europe, we really,
really wanted to grow significantly in Australia as well.

And so DX Labs, uh, is our move to, to reach
that result specifically. Yeah.

And you, you know, it was a reasonably small deal as well,
so it's a nice little bolt-on kind of thing.

Is that, that's kind of what, what the, what the out,
you know, I suppose the ideal acquisition would be something
nice, um,

and bespoke, you could tuck it into the existing offering
and it either expense correct.

The, the pro, the, the customer set

or the capability, I suppose.

Correct. Yeah. They, they are profitable.

They have no debt. They, they have a very healthy business, a very good reputation, a very good client base, uh, solid and, uh, significant revenues, uh, growing up very well.

And, uh, and so it's, it is very fast growing, and so we really believe that, uh, this is, uh, one of those cases where, uh, two and two makes five.

And so, yeah. Uh, we, we just wanted to go for it.

And, uh, yes. Yeah, we're about to do that.

You kept the key, the key people as well, which is always nice.

Of course. That's, that's important.

Um, uh, let me, let me go to some questions if I can, Lorenzo, because otherwise I'll, I'll leave it too late.

Um, some of these we may have touched on, but I'm just gonna put them to you anyway.

I've got some great ones here from summer.

Um, can you provide more details and an update on the Dell partnership and how discussions regarding potential deals and partnerships are progressing in the US and Canada?

Oh, uh, I don't have much of details, uh, with, that's a very good question, but, uh, I'm not very much involved in the relationship with Dell, so I don't have, uh, many details to share about it.

Uh, but, uh,

but still I can tell that, uh, our relationship with, uh,

with, uh, Dell is, uh, is, is very strong

and, uh, it gets better every day.

And so, uh, we are really, uh, really,
you know, uh, tightening the strings with them.

And, uh, as I said, uh, as I said
before, we are very much looking for, uh, leveraging on,
on their Salesforce to, to collect, uh, sales opportunities,
significant sales opportunity, which is already happening.

So, for example, uh, uh, things we are doing for,
for the defense space, of course, as I said mm-hmm.

Uh, are happening, uh, thanks to the partnership we have
with Dell, because the machines we are providing, the,
the defense partners with, uh, are coming from Dell,
and then we work together with them, uh, to, to engineer
and customize a very peculiar machine for the defense space.

And so that, that's, that's what it's all about.

So the a a as a, an overall comment, I would say that, uh,
we are in a very good place when it comes to the,
to the relationship with Dell,
but I, I, I can't be very specific from that perspective,
so it'd be, because that's not
what I'm taking care about, uh, within the company.

No problem. No, it's okay.

Um, look, you might not be able
to say too much on the next one as well for, uh,
confidentiality reasons,
but, uh, the question is, that's right.

Uh, congratulations on the recent NATO deal.

How did that actually come about
and how are the ongoing discussions?

Well, uh, the, the, the, the,
the recent contract we have been signing is part
of a program that NATO is putting in place.

NATO is putting in place with their partner within, uh, the,
the, the tempest, uh, production production chain.

Mm-hmm. Uh, and so they basically have put in place, uh,
we the 25, uh, 2022
to 30 million program.

And, uh, and so, uh, that meant,
uh, that our client, our partner, has been awarded with
that program from, from the nature infrastructure.

And then we are, as a consequence, as I said
before, they are not looking for, for anyone else to, to,
to partner with, uh, as long as we keep on, uh, we,
we keep on delivering.

And so, uh, it's been very, it's very,
it's been a very natural process.

So, uh, the nato, NATO puts a program in place.

Uh, they're partners, uh, are, have been part, um,
awarded with those program.

And then it, the same program is deployed toward,
towards the, the suppliers, uh, comprising us.

And, uh, and so it's very easy, very simple, uh,
and, uh, it'll happen in the next,
along the next three to five years.

And, uh, we are, we couldn't be happier than this.

I mean, uh, we are super excited about it. Yeah. Yeah.

Um, this one's, uh, an interesting one too.

Vion has the opportunity to cross many sectors, which, which we've touched on, but can you, this one in particular is asking, can you explain how the luxury travel market will work?

Ooh, luxury travel markets.

I'm not sure if we, we have done anything specific about it.

That's a, that's a very interesting question because, uh, as you probably said that I, I would consider it to be luxury, uh, luxury travel.

Uh, uh, we, uh, are slowly but surely, uh, taking care of a project that we have been announcing, uh, uh, sometimes, uh, sometimes ago, um, which is called Lunar City.

And so it's all about space tourism, you know what I mean?

Ah, yes. So space travel. Yes, space, space travel.

And so we are basically, uh, developing a platform which, uh, allow people to, uh, virtually travel, uh, within the space, uh, to, up to, uh, the International Space Station on the moon or Mars and such.

Uh, of course, uh, from a virtual standpoint.

So we are not sending anyone, uh, in, uh, in our space, yes.

Not ourselves, not us. Sure.

But still, I would consider it to be, uh, let's say, uh, luxury, uh, luxury traveling for everyone, you know?

Yeah. Made possible for everyone. Yes.

Uh, and that's, uh, that's something that we are developing with a very high profile, uh, high profile partners, um, working within, uh, within, uh, uh, the, the, the space market.

And so, uh, but as, as for, uh, let's say, uh, luxury travel, uh, more traditional approach to luxury travel, I, I don't think we have done, uh, that much.

So, yeah. Mm-hmm.

Let me ask you this too, because I know, uh, Facebook slash meta has been investing huge amounts of money into, uh, uh, augmented and virtual reality kind of stuff.

I mean, that must be a wonderful tailwind for you guys, right?

Because the better the hardware gets, the more that the more, even, even if it's, even if it's got nothing to do, except with increased fidelity and refresh rates and maybe solving the motion sickness problem, it, it only, I mean, it's not like improvements in the hardware make the software redundant.

It, it seems, or I could be wrong, but it seems as though it only enhances what you're able to do with the software.

That's very correct. Uh, it's, it is very correct.

Uh, the, the better the hardware gets and, uh, the better it is for us because, uh, there is, uh, more opportunity to, to deploy technologies within businesses.

Yeah. For example, if, uh, if we, uh,
uh, could have better, uh, better augmented reality, uh,
handsets, uh, let's say smart glasses mm-hmm.

We would, uh, we would tackle a lot more the
logistics markets, for example.

Yeah. Uh, managing, managing, uh, picking
and putting operations within warehouses, for example,
by means of ar glasses would be a very,
very big opportunity, which we are taking already no matter
what, but by using technologies
that is not a hundred percent suitable
for this kind of application.

And still, we are collecting very good
and significant results,
but if the hardware would get better, there would be, uh,
a lot more opportunities for us to take,
uh, from that perspective.

So yeah, it's a very big tailwind.

And, uh, the more, uh, big players,
big tech players keep on investing, uh, in developing new,
uh, wearable and immersive technologies, the better it is
for us, and the better, the better will be also
for businesses all across the world,
because these are very, very beneficial.

I, I know that talking about immersive technologies
today is no longer fashion.

Now fashion is all about ai, ai, ai, ai. Sure, I understand.

I understand it a hundred percent.

Uh, and by the way, we didn't acquire, uh,
an AI company just
because it's fashion, that that was,
that was our plans, uh, yes.

From day one, but we didn't have the money to do that.

And so Yes. Yes. So we needed to wait.

Uh, but other than that, uh, also, also, uh,

AI being fashion with something
that will stop being a significant thing in the near future.

So, uh, and then there will be something new replacing, uh,
ai, that's how it works,

but still, it doesn't matter that those technologies
that are no longer fashion are worthless.

Yeah. These are technologies that can be very beneficial,
especially immersive technologies.

Interactive technologies are very, very beneficial
for any business, for training purposes, managing data,
you know, you name it, uh, engineering applications, um,
marketing and communication
after cell services, whatever you want.

And so, uh, the, the more they keep on investing,
the better it is for everyone, not for us only. Yeah.

Yeah. No, well, well said. I, I, I totally agree.

I mean, you, you're right. I mean, look, from our point
of view, I, I can absolutely confirm that, you know,
AI is the new black,
and, you know, for those of us that have been in sort
of capital markets for a while, you know,
that themes come and go.

Um, but where it's, I, I think
where investors sig separate the signal from the noise is,
it's one thing to sort of say, oh, we're doing ai.
It's another thing to sort of say, here's what we're doing
with ai, AI more specifically,
here's the problem we're solving with ai.
And it's, it's just correct.
It's like a hammer or a screwdriver. It's just a tool.
And so good on you. If you've got ai, that's okay.
But it's more about, for me at least, like,
how do you use it?
Why is it, why is it unique within your eco ecosystem
or within your, you know, verticals.
Um, so I think that's, I think that's fascinating.
Um, and it also strikes me too, that vr,
these headsets have just been on the cusp for so long,
and, uh, I remember very big enthusiast a few years ago,
and I just, it just wasn't great.
And then I put to one
of the new headsets on recently, and Wow.
So it feels as though, it feels as though we're just coming
to that, um, you know, the Gartner hype cycle.
We sort of have those early adopters
and that peak of inflated expectations.
And then there's that, what is it, the trough
of disillusionment, I feel
as though we're coming out the other side of that,
where it's sort of like the rubber is hitting the road

and people will buy it just
because it, it, it solves a great problem,
or it just represents a better way of doing things.

Correct. Is that your sense or,
Yes, that's my perception too.

Yeah. Uh, there are, well, uh, when, when, uh, ar
and ar wear fashion, uh, everyone tried
to use those technologies everywhere.

Yeah. And, uh, and that was a mistake.

That was a mistake because this, this is not like, uh,
like something that you can, uh, you can apply everywhere
and, uh, and, uh, having, uh, super significant results.

Yeah. There are specific areas
where those technologies are more suitable
and proving themselves to be more beneficial
to the user, to the clients.

And, uh, I, I would say that, uh, namely, uh, training
and the education is proven to, is proven to be the area
where, uh, vr, for example, is the, the most efficient.

And, uh, it, it gives like 50% of efficiency, which means,
uh, that, uh, along the same time span, you can,
you can learn 50% more information.

Right. Or on the other hand, uh,
if you have a specific amount of information that you need
to transfer, then it takes half the time.

You know what I mean? Yes. And also,
the information retention is a lot higher, 30 to 50% more.

And so it, it, it's kind of crazy.

And, and, and doing training, doing training with, uh,

other technologies today where vr, when VR is available and is effective is, is the wrong choice.

Yeah. We, we are working together with Accenture for a client.

I, I, I'm not allowed to, to disclose their names.

I don't know why, because it's not like a super popular brand, but Yeah, I I, I'm, I'm not allowed.

They work, they, it's a, it's a very important international player within the energy space.

Yeah. And they were basically, uh, training their engineers and, uh, and technicians by means of, you know, PDF files, static pdf, DF files.

So the, this was about like, uh, procedures written in paper, technical procedures written on paper.

You know what I mean? Yeah.

So that was, I mean, the, the stone age, you know what I mean?

Yes, yes. So we provided them with a, with an immersive platform, a a a collaborative, multi-user, immersive interactive platform, which now allows them to make their technicians and engineers go through very engaging, immersive, interactive procedures, uh, training procedures by means of, you know, uh, 3D animated interactive procedures, step by step procedures that can also be used afterwards, uh, while doing their work as a technical

technical documentation.

They can, they can use it.

They can use it if don't,

they don't remember a specific information, they can go through the procedure and Yeah. I mean, yeah.

Yep. Makes sense. Um, It's 2025. I mean,

I, I know, right.

Uh, just be, well, you know, actually, let me ask you this,

because we ev we occasionally speak

to medical technology companies,

and that is an area where there's incredible use cases,

but it also strikes us as an industry

that's still using fax machines and,

and pages can, like, you know, it's 2025,

but apparently I heck, my, my, my dad was in, uh,

had a procedure recently

and they had to wait for the, for the doctor

to fax something across to the hospital.

And it just, it blows my mind.

Um, uh, just a, as a, as a, as a, as a short,

uh, uh, distraction.

Is there medical applications

that you guys are, are involved in?

Yes, we are, uh, mainly with, uh,

within the education and training space.

Ah, okay. Yes, yes. As, as I said, yes.

So, uh, for, for, for lab purposes, for, uh, you know,

university courses.

Yeah. Uh, so that, that, that's where, where we are a bit,

because well, uh, that's cool.

We are, we are also developing technologies for diagnosis purposes.

Yeah. But this is a lot trickier as a, as a process because you need to, to go through certification, very significant, significant certification process.

So that's something that it will happen in, in the, in the long run.

But still, we are developing technologies, combining artificial intelligence, uh, extended reality and, uh, uh, engineering simulation.

Yeah. So, uh, uh, how do you call it?

Uh, computer I engineering. Ah, yes.

As opposed to computer, I design computer, I engineering.

I see. And so that's fluid dynamic, uh, simulations for, you know, studying the behavior of, uh, blood, uh, yeah, yeah.

Veins and such. I'm sorry.

This is me lacking, uh, English vocabulary, uh, but still, uh, diagnosis of

I understand. I

understand. Yeah. And, and look,

your English is better than my Italian, so, uh, let, let's, let's stick with, let's stick with English.

Um, uh, I, I, I, I, I distracted us there for a minute.

I'll go back to the questions.

Um, uh, let's talk about, uh, uh, competitors.

Who do you see as your main competitors?

Hmm. That's kind of a tricky question because if I wanted to talk about who I perceive to be, uh, real competitors for perfection, I would name those big giants, uh, making, making the difference within the tech space. Yeah. Which is kind of ridiculous, because they don't even know that we exist. You know what I mean? Yeah. We partner with them, we, we partner with them, we try to partner with them. Yeah. But, uh, in terms of technologies that they deploy towards the market in terms of, uh, uh, their approach to the market, the business model, they, they, they have, this is where I would compare, uh, vaccine to. Yeah. Uh, because if I keep in consideration companies our size, they are usually, well, uh, for starter, they are usually smaller than we are. Uh, and they are very solution specific, very vertical, uh, on, uh, specific areas of the company using only one technology, one platform solving one problem that is very different from what we are doing. We try to keep a very wide approach, and we are offering to our clients, uh, a very wide range of solutions and technologies, and, uh, we really try to, to cover and to create value across their whole value chain. Mm-hmm. And so that's a very different approach. So from their perspective, I would say that we don't have,

uh, really, we really don't have, uh, competitors Yeah.

Which are our size.

But then again, uh,

those big giants cannot really be perceived,

cannot be considered as our, uh,

our competitors because Yes.

It's like, uh, an end compared to a giant story.

Sure, sure. Yes. It, it's,

it's ridiculous. You know what I mean? Yes,

Yes. No, absolutely.

Honestly, I, I, I think that that's where

a lot of the opportunity exists in the technology space are

in more niche, niche applications,

which still might be many hundreds of millions, uh,

of dollars worth of, of addressable market.

Correct. If you Google, it's kind of like, eh, you know,

but for, for everyone else, it's kinda like there's a very,

is a very serious opportunity there.

Correct. Because also those technology, those big giants,

uh, are not willing to assist their clients.

I mean, they provide technologies on a large scale,

and so they say, look, guys, this is our product.

You can buy it or not. Yeah.

And once you buy it, you are by your own. Yep.

On the other hand, companies live action can say, oh,

okay, this is our product.

Yeah. And if you buy it, I'm on your side. Yeah.

I will help you to integrate this technology I'm on,

on your side to develop your, your contents within
that technology you bought.

Mm. And I will be on your side to, uh,
to make you understand how, how you can use it, how you can,
uh, benefit from those technologies,
how you can integrate it, the, I mean,
this kind of services.

So it's a different approach that's slightly different.

So, uh, that's, that's what makes it possible for us to,
to target this in between market you were talking about.

Yeah. Which is very large
and very interesting for companies like ve
I, I, I meant to ask you this earlier.

Um, I, I guess in developing the, the IP and the,
and the tech stack,
and the fact that you have applicability in
education and defense
and every, I, I, I suppose that was the, that was the goal.

When you're building the technology that it has,
it has a wide use case.

It wasn't, it wasn't built for a narrow specific purpose.

It's, uh, what, what's the term for it?

Extensible, I think is what the, the tech people call it.

Can you talk a little bit about, about that?

Because one of, one of the other challenges is,
and I'm sure you know this as, as a technology company, is
that you, over time, you build up a level of technical debt
and, and that if, if

for whatever reason competitive dynamics

or market dynamics change,
and you have to sort of pivot, it can be a choice
of do we throw everything out and start again?
Or have we got something fairly, uh, with a lot
of optionality inside it and a lot of customization and,
and, uh, ability to change?

I, I butchered that question,
but I think, you know, where I'm,
I'm coming from there. Does that make sense?

Yes, yes, it does. Absolutely.

Uh, so when, uh, when, when we have been, uh,
developing our technologies, uh, to become products, uh,
you know, we, uh, as everyone does, we started from, uh,
from a clients, uh, custom project.

Yeah. So, uh, we started from providing a spec,
very specific be bespoke solution solution to a client.

Uh, and then we, uh, felt like it was a very good idea, uh,
to, to turn those, this project into a product.

And then, uh, in the pro, in the pro process
of turning a project into a product, you try to keep, uh,
to keep the wider approach.

Yeah. You know, so to, to keep the, the technology
as flexible as possible.

And as a matter of fact, the technologies we, uh, we, uh,
take care about are for nature, very flexible.

Mm-hmm. Because these are very same
technologies that you can apply.

I mean, we, we do have in place, for example, uh,

one platform, which is called uh, 3D Frame, uh,
which is the, the training platform
that I was talking about, uh, for that client who was using,
uh, you know, PDF files for training their engineers, uh,
the very same, and
that's a very technical industrial type of application.

But then again, the same technology
with no changes whatsoever, no changes, uh,
can be used for, for healthcare purposes.

Right. If the same is
because it's all about the, the contents
that you develop inside.

Yes. You know? Yes.

So you need to make your technology as flexible as possible
so it can manage any kind of contents.

And then when you are, are at that point mm-hmm.

You, you reach the point where, uh,
your technology is really cross industry,
and so you can, uh, you can really tackle any industry
with the same technologies, uh,
with the same, with the same ease.

So that's something that we have been, uh, mindful about,
uh, when it was time to develop the technology.

So we really wanted to keep a very neutral approach
to market, so now we have possibility to sell to everyone.

Uh, I love that. Yes.

And flexible was the word I was looking for too.

And, um, yeah, it's, it kind of future proofs to,
to some degree too, which is, which is nice. Correct.

Correct. Um, uh, I've got two more questions that have come through here.

The first one is, are you able to talk margins?

Now, I know that there's sort of three revenue sort of screen streams here.

The question referring, I I suppose, into the software side of things, they always tend to be extremely high margin.

Um, can you give us a sense of what margins look like for the, the different segments of the business?

Yes, correct. Yeah, absolutely.

Well, I, I, if it, if we would be able to, to make, and which is something that we are very much aiming to of course, except for the, the hardware side of things.

Yeah. Uh, but, uh, we, if we would be able to go for like, uh, a hundred percent SaaS model, our margin would be, uh, range in around 70%. Mm-hmm.

Okay. Which Would be, would, would be very, very 70 to 75%, which would be very, very significant.

Yes. Today, as I said, there is a blend of, uh, three, uh, mainstreams.

So the first one being software as a service, and then, uh, custom services, uh, custom development and professional services, and then hardware.

And so the blended, uh, gross margin, uh, we have today ranges from 35 to 40%.

Gotcha. Gotcha. Yes, I'm seeing that now.

So slide three is, is the one to look at with the most recent investor presentation just correct,

just for people following at home.

Um, uh, the last one is in regard to the capital raise.

So the comment here, making note of the fact that it was oversubscribed, uh, which is always nice and, and actually had to be scaled back, which is always a nice sign as well.

Um, correct. Uh, I guess the, the question really asking here is like, is that, is that done for the foreseeable future or do you envisage, you know, barring, I mean, there's always opportunities that are unforeseen, maybe a very attractive acquisition and large one comes across that wasn't looked for, but barring anything unusual, do you think that that kind of gets you to a sustainable profit or, uh, scenario, or is it just a case of see how things evolve?

No, uh, I think, uh, I think we are good for now.

Uh, so we are, we are not looking for any, any raise, uh, of capital anytime soon.

Yeah. Uh, it was a very strong one, uh, the one we just completed.

And so we are, uh, we are happy, very happy about it.

It was oversubscribed that, as you said, so it made us, it made us very, very, very happy, uh, because it, yeah, it feels like there is a big recognition of the work we are doing right now within the market finally after five years of struggle.

Yes. And so it, it's, it, we are very, we are very excited about it.

Uh, but it might be possible that we could consider, uh, an additional capital raise, as you said.

So you nailed it a hundred percent. Yeah.

If we come across a very significant acquisition, for example, where there, there is one more acquisition that we are, uh, looking for, we are still in the very, very early stages, so there is nothing to talk about, but still we are very much willing to expand towards the American market.

And so if you want to do that, you have to be there basically.

Yeah. Uh, so you can't do that from Australia, you can't do that from, from Europe.

You have to be there. And so if we want to be there, we, we could, uh, go for like something, uh, build something from scratch, which takes a lot of time, a lot of money, a lot of effort, and that's not the way we want to, to go for.

And so the, there, the other option, the, the, the only other option is to go for, for an m and a operation.

And so we are scouting, currently scouting the market, and if something very significant comes across, uh, which we perceive to be super, super interesting, and, uh, it requires a capital raise, we might be looking for that.

But other than that, we are no longer looking for any capital raise in the near future.

Excellent. Um, the last question, well,
second last question for me is what, uh,
it's always a good question, you know,
because, um, no matter what business, what industry,
there's always sort of, um, challenges and, and risks.

What, what would you say is the biggest challenges
for Vection at, at the moment?

Ah, that's a tricky one.

Uh, the biggest challenge, uh,
the biggest challenge right now, uh, is to, uh, I,
I want to use the definition that he used a few minutes back
to separate the signal from the noise when, uh,
where we are the signal
and, uh, all the rest is the noise, right?

Uh, and so, uh, what we, uh, really have
to be mindful about is to, uh,
to keep a very strong identity and, uh,
and make our client understand what is the difference, uh,
between someone who's, uh, taking care
of our technologies just
because it's fashion compared to someone like us
who has been taking care of those technologies
for the last five to 15 years.

So we really, I mean, there is a big difference
because we, we know which it was we we're talking about.

Yeah. We really do.

And, uh, and so if they trust us, we really, we really know.

We are sure that we can create value for them.

So, uh, we have to be very mindful, uh,

of finding ways to keep on creating value for our clients.

And so that means keep on growing very significantly
and so scale up on an international basis.

So, uh, that's, that's what matters the most to me.

Uh, yeah. At least. But I, I, I would say that matters
for the board of directors as a whole. Yeah.

Nice. Um, the last question is, when you are speaking
to people like us, when you're speaking to investors,
what do you think that most people
misunderstand about Vection?

What is the thing that you must always explain again
and again, because the share market doesn't get it,
or they misunderstand or, I, I ask this question
because that's often the case for, for someone
inside the business, they, you know, you must often
end a call and go, my God, they just don't get it.

Um, or, or do you feel as though that the, the market has a,
a pretty good understanding of the
story and the opportunity?

No, I don't, I don't think it does. Uh, not yet.

It's getting better. Yeah, it's getting better.

The longer the better, uh,

but, uh, we struggled very much

to make the market understand what we do, uh,
which is very clear to us.

I mean, it, it, it, yeah, it, it sounds very simple to us.

We provide, we provide, uh, our clients with technologies
to, uh, to be more efficient, to make more savings, to be,

uh, to, to, to innovate their processes.

That what, that's what we do. Yeah.

And it's, it, it sounds very easy from our perspective,

because that's what we do, uh, on a daily basis,

but as a matter of fact, it's proven itself

to be not very clear to our investors.

And so, uh, it's always a big struggle for us

to make them understand that we are combining

and developing those technologies, uh, for creating value.

That's what we do, create value across the whole value

chain of our clients. That's, any

Good business should do that, right?

It seems obvious to say,

but I can tell you in the share market, there's not,

there's plenty of businesses that, that, that don't.

Right. And I think you've nailed it by pointing that out.

If you can solve a problem

for someone, you've got a business.

Right. Like, it's, it's that simple a lot of the time.

Uh, but, but, but as a matter of fact, uh, as a matter

of fact, the perception market have about our, our,

our technology is, is pretty messy and, uh, unclear and, uh,

and, and foggy, uh, which is weird to me

because it's, it's so simple.

We are, we are using extended reality in artificial

intelligence to solve problems.

That's what it is. Yeah. Yeah.

Yep. Well, I hope Lorenzo,

that this conversation has helped people better understand,

uh, the, the opportunity that that is out there.

I, I hope so. I hope so.

Yeah. Um, and I can tell you one thing, you know, um, regardless of the business or the industry, one thing that the market cannot help but notice eventually is profits, right?

Like, it, it, it that, that it's the old, you know, in the short term, the market is a voting machine in the long term.

It's a weighing machine.

And, and you know, as part of the reason that I, I think we had several requests to, to reach out was because people take notice of the fact that revenue's going like that the profits are coming in.

And, you know, as long as that continues, then the market will definitely notice it at some point.

So I guess, I guess all I'm saying is keep up the great work.

It's great to see, it's great to see you achieve that milestone 'cause it's a very difficult milestone to achieve.

And, and we wish you all the best for the future, and we'd love to stay in touch.

Thank you very much, Andrew.

It's been, uh, super, super nice having, having this talk with, with you.

And so, yeah, uh,

let's definitely be in touch in the future.

I would be happy to really be

Happy to. Excellent. Excellent, Lorenzo.

Thank you.

I've really enjoyed the conversation.

Um, until next time. Thank you very much.

Thank you. Bye-bye. Cheers.