

29 April 2024, Australia

ASX RELEASE**FY24 Q3 ACTIVITY REPORT AND APPENDIX 4C**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), ("Vection" or the "Company"), the INTEGRATEDXR[®] company, is pleased to update the market on its activities and associated cash flows and cash position for the quarter ended 31 March 2024, and up to the date of this announcement.

NINE-MONTHS FY24 HIGHLIGHTS (UNAUDITED):

- Nine months unaudited revenue was \$19.8m, up 82% vs \$10.9m in 1H FY24.
- Nine months cash receipts were \$26.7m, up 82% vs. \$14.7m PcP.
- At 31 March 2024, forward contracted revenue was \$6.7m, up 37% vs. \$4.8m at 31 December 2023.

FINANCIAL HIGHLIGHTS:

- Q3 FY24 cash receipts were ~\$11.8m, up ~108% vs ~\$5.7m in Q3 FY23.
- Q2 FY24 operating cash-inflows were \$4.1m.
- Total debt was \$8.0m, down \$1.3m compared to the previous quarter.
- Cash of ~\$7.7m at 31 March 2024 (31 December 2023: \$5.5m).

OPERATIONAL HIGHLIGHTS:

- Continued to develop comprehensive spatial computing solutions, focusing on operational improvements, cost reductions, and ESG objectives across customers' sectors.
- Introduced AI enhancements into the INTEGRATEDXR[®] ecosystem tailored for specific industrial sectors, contributing to developing Vection's unique market offering.
- Enhanced Vection's sales structure for improved operational efficiency and responsiveness, targeting emerging sectors such as the space economy and health/hospitals (virtual laboratories).
- Broadened market presence through strategic contract executions supporting sustainable industry practices, including a significant contract in the defence sector. (ASX: 12 February 2024)
- Expanded market efforts with the introduction of the first XR naval solution powered by the RNDR network and the development of emerging markets.
- Integration of the Invrision acquisition to expand the fashion industry footprint, emphasising sustainable growth and enhancing Vection's platform compatibility with Apple Vision Pro to leverage the positive market trend among professional users.
- Reorganised company structure to enhance effectiveness and performance, with a new focus on verticalisation by markets to bolster growth and innovation.

VECTION TECHNOLOGIES LTD

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

GLOBAL OFFICES

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

WEBSITEwww.vection-technologies.com**REGISTERED OFFICE**Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia

Gianmarco Biagi, managing director of Vection Technologies, commented:

"Revenue increased to \$19.8 million in the third quarter of FY24, a notable 82% increase compared to the first half of this fiscal year. We attribute this growth to our expanded operational capabilities and initiatives, which have broadened our market presence and deepened our industry engagement.

During this quarter, we are pleased to have secured a material contract in the defence sector, underscoring our commitment to this critical sector. Additionally, we have successfully integrated our recent acquisition, Invrsion, which marks a significant step in our expansion into the fashion industry. This diversifies our portfolio and reinforces our commitment to sustainable growth.

*We have also made significant progress in enhancing our technological offerings, particularly **spatial computing**. Our advancements are focused on supporting our clients in reducing operational costs and achieving their **ESG objectives**. This is a testament to our commitment to sustainability alongside innovation.*

*Artificial intelligence ("AI") is crucial in advancing our **INTEGRATEDXR**® ecosystem. AI helps improve our spatial computing capabilities, resulting in more efficient and accurate operations and significantly reduced customer costs. It also supports their ESG objectives by optimising resource use and improving decision-making processes.*

Looking ahead, Vection remains dedicated to maintaining this growth trajectory. We are focused on advancing our comprehensive spatial computing solutions and continuing our expansion into diverse sectors.

*Vection is adapting to industry trends and actively shaping the future of technological solutions in **spatial computing**. This reinforces our pivotal role for the customers we serve."*

COMPANY FINANCIAL OVERVIEW:

HALF-YEAR FY24 HIGHLIGHTS (UNAUDITED):

Unaudited revenue for the first nine months of FY24 was \$19.8m, up 82% vs \$10.9m in 1H FY24. First nine months cash receipts were ~\$26.7m, up 82% vs. \$14.7m PcP.

At 31 March 2024, forward contracted revenue was \$6.7m, up 37% vs. \$4.8m at 31 December 2023.

FY24 Total Contract Value ("TCV") at 31 March 2024 (Q3 FY24) has grown to ~\$26.4m, up 32% vs \$20m in Q3 FY23.

■ **VECTION TECHNOLOGIES LTD**

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

■ **GLOBAL OFFICES**

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

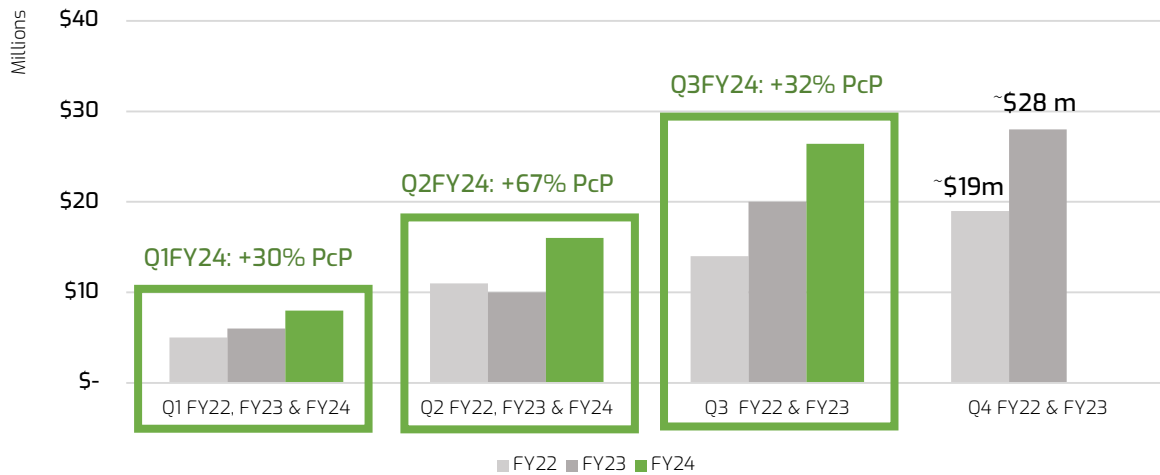
■ **WEBSITE**

www.vection-technologies.com

■ **REGISTERED OFFICE**

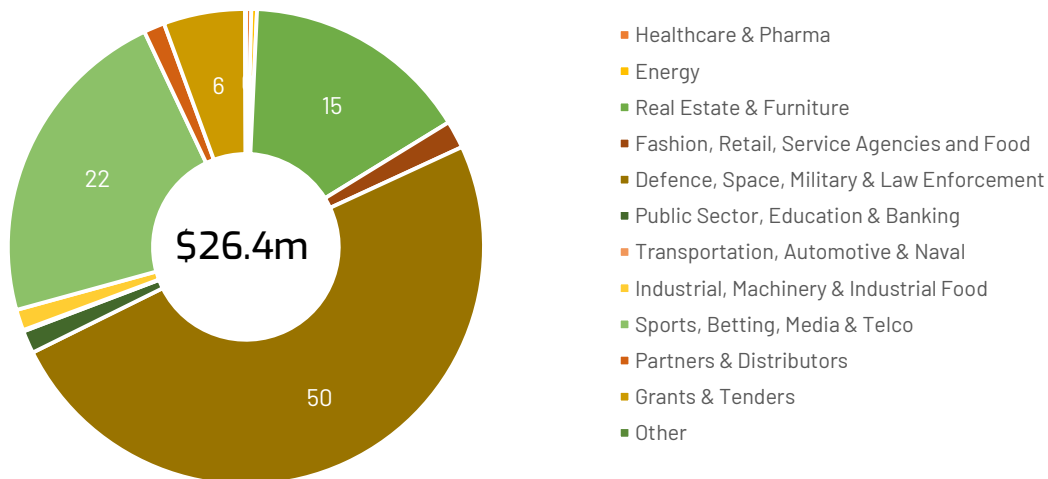
Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia

Chart 1 shows cumulative TCV by quarter for FY22, FY23, and FY24 to date:¹



Vection focuses on expanding its operations in various regions by offering industry-specific solutions like cloud, VR, ICT, and AI. Furthermore, by targeting specific segments within various industrial sectors and technologies, the Company can improve the range of its technology offerings and enhance its commercial prospects.

Chart 2 shows the current FY24 Q3 TCV by market segment (in %):



¹ Notes:

- Q1 FY22, FY23 & FY24: Cumulative TCV as announced on 31 October 2024, 31 October 2022 and 31 October 2021.
- Q2 FY22 & FY23: Cumulative TCV as announced on 31 January 2024, 31 January 2023 and 31 January 2022.
- Q3 FY22 & FY23: Cumulative TCV as announced on 29 April 2024, 23 March 2023, and 12 April 2023.
- Q4 FY22 & FY23: Cumulative TCV as announced on 28 July 2023 and 30 June 2022.

■ **VECTION TECHNOLOGIES LTD**

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

■ **GLOBAL OFFICES**

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ **WEBSITE**

www.vection-technologies.com

■ **REGISTERED OFFICE**

Level 4, Building C, Garden Office Park, 355 Scarborough Beach Road, Osborne Park WA 6017 - Australia

The Defence, Space, Military & Law Enforcement sector has grown to approximately 50%, while the Sports, Betting, Media & Telco sector is the next largest sector at 22%, followed by Real Estate & Furniture at 15%. The fashion, Retail, Service Agencies, and Food sector constitute 2% of the TCV, with Partners & Distributors also contributing 1%.

QUARTERLY CASHFLOW SUMMARY:

At 31 March 2024, the Company held cash and cash equivalents of ~\$7.7m (31 December 2023: \$5.5m).

Cash receipts for Q3 FY24 were ~\$11.8m, compared to ~\$5.7m in Q3 FY23. This resulted in net cash inflows from operating activities of ~\$ 54.1 m, compared to \$(1.2)m in the previous quarter.

During the previous quarter, the Company began recording its R&D development cash outflows in the investment section of Appendix 4C. Previously, it conservatively expensed all R&D costs in the operating cash flows.

Cash outflows from investing activities for the quarter were ~\$0.7m, compared to ~\$0.3m in Q3 FY24. This is mainly related to the Company's technology development activities.

On 21 March 2024, the Company received full payment in relation to the defence contract award announced on 12 February 2023. The Company has completed and delivered this project during the period. The outward supplier cash flows are expected to be remitted in Q1 FY25 (initially expected in Q4 FY24). Even accounting for these additional outflows, the company's operating result and cash at bank would have remained positive.

Cash outflows from business activities expenditure totalled ~\$9.0m for the quarter, consisting of administration (~\$0.7m), and R&D, staff costs, and operating cost of sales (~\$7.9m), with the balance to advertising and marketing and leased assets (~\$0.4m).

Debt of ~\$8.0m reduced by ~\$1.3m from the previous period.

OPERATIONAL OVERVIEW:

During the quarter, Vection has strategically advanced its organisational structure, leading to optimised operational efficiency across its business units. This period was marked by successful contract executions, enhancing the Company's market presence in various sectors. Material contract achievements include:

- A \$4.9 million contract with a cybersecurity-focused technology service provider, enhancing infrastructure security solutions for law enforcement and government agencies. (ASX: 12 February 2024)
- Multiple contracts totalling \$971,000 across the healthcare, real estate, and retail divisions demonstrate the Company's diversified market approach and the effectiveness of its reorganised operational groups. (ASX: 20 February 2024)

■ VECTION TECHNOLOGIES LTD

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

■ GLOBAL OFFICES

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ WEBSITE

www.vection-technologies.com

■ REGISTERED OFFICE

Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia

- The introduction of the first XR naval solution powered by the RNDR network, valued at \$500,000, signifies the Company's innovative push into naval maintenance management using spatial computing technologies. (ASX: 19 April 2024)

The Company has continued to build on the work performed in the first half of the year regarding customer and partner relationships. Notable projects like Lunar City are progressing, and we expect further updates as these initiatives develop. Additionally, integrating the latest acquisition, Invrision, within the wider group opens exciting opportunities in the fashion industry, enhancing our footprint in this vertical.

These achievements reflect Vection's strategic realignment of its organisational framework, designed to foster a more responsive and dynamic approach to market challenges and opportunities. The organisational results have particularly shone in the R&D area, where Vection now boasts a wide range of products, reflecting our commitment to growth and innovation.

TECHNOLOGY:

Throughout the quarter, the Company made significant progress towards developing a comprehensive offering in spatial computing that aims to assist customers in improving their operations, reducing costs, and achieving their ESG objectives. Some of the key technological advancements made this quarter include:

- **ShelfZone 2.0 and X-RHEA:** Both platforms have undergone significant enhancements, which have focused on customer-driven updates to improve the realism and interactivity of virtual environments. Integrating spatial computing technologies has enabled more natural and intuitive interactions within these environments, improving user engagement and operational efficiencies for real-world applications.
- **3DFrame Updates:** The latest developments in the 3DFrame platform have improved system interactions and broadened file compatibility, which are critical for supporting complex spatial computations. These enhancements have made integrating 3D content into different workflows easier and paved the way for broader adoption in architecture, engineering, and construction industries.
- **ENWORKS Evolution:** The new version of ENWORKS introduces advanced UI/UX designs vital for spatial computing applications. These improvements make the platform more user-friendly and intuitive, allowing users to manipulate and interact with 3D spatial data more effectively.
- **Remote Assistance Tools:** The Company's remote assistance tools have been upgraded with new deliveries of advanced hardware such as HoloLens and Metaquests. These tools now incorporate enhanced spatial computing capabilities, enabling technicians and engineers to perform complex tasks in virtual settings that mirror real-world conditions. This feature helps reduce errors and improve training and support processes.
- **Apple Vision Pro Compatibility:** The Company has been actively working towards making its INTEGRATEDXR[®] ecosystem compatible with Apple Vision Pro, in line with current market trends. This strategic move aims to cater to the increasing demand for advanced XR solutions among professional users, thereby positioning Vection as a leading provider of cutting-edge technologies that meet its customers' needs.

■ VECTION TECHNOLOGIES LTD

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

■ GLOBAL OFFICES

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ WEBSITE

www.vection-technologies.com

■ REGISTERED OFFICE

Level 4, Building C, Garden Office Park, 355
 Scarborough Beach Road,
 Osborne Park WA 6017 - Australia

- **Innovative Projects in Spatial Computing:** This quarter also saw the advancement of several projects that leverage our spatial computing framework to tackle industry-specific challenges. These projects demonstrate our capability to integrate XR technologies with real-time data and spatial analytics, enhancing decision-making processes and operational efficiency in fields ranging from real estate to industrial manufacturing.

The Company remains committed to continuously improving its core **INTEGRATEDXR**® ecosystem across cloud, data security, and 3D to meet market needs and offer dependable support to its valued customers.

OUTLOOK:

Vection is well-positioned to capitalise on technological advancements and effective corporate management to capture significant market opportunities. We focus on developing a comprehensive end-to-end spatial computing ecosystem to enhance customers' efficiency, reduce operational costs, and help them achieve their Environmental, Social, and Governance ("ESG") objectives. By integrating spatial data with real-time analytics and interactive environments, we aim to transform how businesses interact with both digital and physical realms, promoting sustainable and cost-effective operations.

As we expand our market presence and enhance our technological offerings, we are committed to driving our sales initiatives forward while closely monitoring our costs to ensure operational efficiency.

Through these efforts, Vection is responding to current trends and actively shaping the future of our customers' digital interactions and operational processes. Our continued innovation in spatial computing and AI will define our trajectory and success in the global marketplace, reinforcing our critical positioning with customers.

LISTING RULE 4.7C3:

The aggregate payments to related parties and their associates included in the current quarter cash flows from operating activities totalled ~\$0.3m. These payments consisted of Directors' fees and salaries paid to directors. All payments were on normal commercial terms.

AUTHORISATION:

This ASX release is authorised by the Board of Directors of Vection Technologies Limited.

ENDS

■ **VECTION TECHNOLOGIES LTD**

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

■ **GLOBAL OFFICES**

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ **WEBSITE**

www.vection-technologies.com

■ **REGISTERED OFFICE**

Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia

INVESTOR RELATIONS CONTACT DETAILS:

Gianmarco Biagi - Managing Director (Europe Based)

Email: gianmarco.biagi@vection-technologies.com

Phone: +39 051 014 2248

Gianmarco Orgnoni – Director, CSO & CMO (Australia Based)

Email: gianmarco.orgnioni@vection-technologies.com

Phone: +61 8 6380 7446

Damian Banks – Chairman (Australia Based)

Email: damian.banks@vection-technologies.com

Phone: +61 8 6380 7446

ABOUT VECTION TECHNOLOGIES:

Vection Technologies is a growing enterprise-focused company that helps businesses bridge the physical and digital worlds. We help organisations 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**, and trades on the U.S. over-the-counter (OTC) markets under the symbol **VCTNY**.

For more information, please visit: www.vection-technologies.com

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, guidance, or outlook on future earnings, distributions, 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

■ **VECTION TECHNOLOGIES LTD**

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

■ **GLOBAL OFFICES**

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ **WEBSITE**

www.vection-technologies.com

■ **REGISTERED OFFICE**

Level 4, Building C, Garden Office Park, 355
Scarborough Beach Road,
Osborne Park WA 6017 - Australia

events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

GLOSSARY:

FY24 TCV is a metric that combines all contracts, including subscription and maintenance packages, that the Company expects to convert into revenue (or a percentage thereof) during the fiscal year, subject to audit review. The Company notes that quarterly cash receipts may vary depending on the solution and/or service provided to the end customer, and any individual material contract award will be separately announced to the market as applicable. Furthermore, the Company notes that most of its current revenue-generating activities still depend on upfront and implementation fees (in addition to a recurring revenue component). Therefore, cash receipts and TCV metrics can significantly vary each period, while organically growing on a full fiscal year basis. The final revenue figure for FY24 is subject to audit review.

INTEGRATEDXR[®] is the Company's solutions and service suite, from Virtual Reality (**VR**), Augmented Reality (**AR**) and Mixed Reality (**MR**) technologies to Metaverse, ICT Infrastructure and devices, Kiosks, 3D Modeling and Rendering services and Artificial Intelligence (**AI**). Vection Technologies seeks to help businesses bridge the physical and digital worlds, through a unique **INTEGRATEDXR[®]** experience.

Chart 3 shows the **INTEGRATEDXR[®]** solutions suite technology framework:



■ **VECTION TECHNOLOGIES LTD**

ASX:VR1; OTC:VCTNY | ACN: 614 814 041

■ **GLOBAL OFFICES**

PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ **WEBSITE**

www.vection-technologies.com

■ **REGISTERED OFFICE**

Level 4, Building C, Garden Office Park, 355
 Scarborough Beach Road,
 Osborne Park WA 6017 - Australia

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

VECTION TECHNOLOGIES LIMITED

ABN

93 614 814 041

Quarter ended ("current quarter")

31 MARCH 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 11,803 | 26,713 |
| 1.2 Payments for | | |
| (a) research and development | (340) | (498) |
| (b) product manufacturing and operating costs | (6,105) | (20,125) |
| (c) advertising and marketing | (119) | (427) |
| (d) leased assets | (262) | (627) |
| (e) staff costs | (1,438) | (4,959) |
| (f) administration and corporate costs | (762) | (2,115) |
| 1.3 Dividends received | - | - |
| 1.4 Interest received | 2 | 19 |
| 1.5 Interest and other costs of finance paid | (237) | (539) |
| 1.6 Income taxes paid | (86) | (226) |
| 1.7 Government grants and tax incentives | 451 | 451 |
| 1.8 Other (Advance payment) | 1,242 | 1,727 |
| 1.9 Net cash from / (used in) operating activities | 4,149 | (605) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | (17) |
| (c) property, plant and equipment | (11) | (19) |
| (d) investments | - | - |
| (e) intellectual property | (738) | (1,367) |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Cash and cash equivalents acquired from acquisition | - | - |
| 2.6 | Net cash from / (used in) investing activities | (749) | (1,403) |

| | | | |
|-------------|---|----------------|----------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 3,510 | 10,981 |
| 3.6 | Repayment of borrowings | (4,824) | (12,779) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | (23) |
| 3.10 | Net cash from / (used in) financing activities | (1,314) | (1,821) |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period* | 5,531 | 11,359 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 4,149 | (605) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (749) | (1,403) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (1,314) | (1,821) |
| 4.5 | Effect of movement in exchange rates on cash held | 106 | 192 |
| 4.6 | Cash and cash equivalents at end of period | 7,723 | 7,723 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 7,723 | 5,531 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details if material) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 7,723 | 5,531 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 268 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

Quarterly cash flow report for entities subject to Listing Rule 4.7B

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | 12,110 | 8,049 |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | 12,110 | 8,049 |
| 7.5 Unused financing facilities available at quarter end | | 4,061 |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

Terms of the borrowings:

- A fixed rate bank loan provided by Banco BPM to Vection Italy. The loan has a 6 years term with an expiry date of 6 June 2026. The loan has a fixed Interest rate of 1.25%
- A variable rate bank loan provided by Intesa San Paolo to Vection Italy. The loan has a 6 years term with an expiry date of 9 June 2026. The loan has a variable Interest rate of circa 1.75% plus EURIBOR 1m 360.
- An invoice financing facility provided by BPER to Vection Italy. This is a short term liability at an interest rate of 3.9% plus 1%
- An invoice financing facilities provided by Intesa San Paolo to Vection Italy. This is a short term liability at an interest rate of 8,2% (TAN)
- A contract financing facilities provided by Intesa San Paolo to Vection Italy. This is a short term liability at an interest rate of 8.2% (TAN)
- An invoice financing facility provided by Intesa San Paolo to Vection Italy This is short term liability at an interest rate of 3.125%
- An invoice financing facility provided by Intesa San Paolo to Vection Health. This is a short term liability at an interest rate of 5.57%
- A Banco BPM bank loans by JMC Group. The loans have a 6 years terms with expiry date of 13 August 2026. The loans have a variable Interest rate of 1.25% + EURIBOR 3m 360.
- A Banca Monte Dei Paschi Di Siena (MPS) bank loan by JMC Group. The loan has a 71 months terms with an expiry date of 31 October 2026. The loan has a variable Interest rate of 0.45% + EURIBOR 6m 360.
- A fixed rate facility provided by Dell Financial Services to JMC Group. The facility has 3 years term with an expiry date of 1 January 2024. The average overall effective rate is 8.95%.
- A fixed rate facility provided by Dell Financial Services to JMC Group. The facility has 3 years term with an expiry date of 15 March 2026. The average overall effective rate is 10.81%.
- FOUR fixed rate leasing facilities provided by Dell Financial Services to JMC Group. The facilities have 3 years term and interest rate of 1.99%, 1.99%, 4.39% and 13.08%.
- An Invoice and contract financing facility provided by MPS to JMC GROUP. This Is a short term liability at an interest rate of 3.60%.
- An Invoice financing facility provided by BPM to JMC GROUP. This Is a short term liability at an interest rate of 5.60%
- An Invoice financing facility provided by BPER to JMC GROUP. This Is a short term liability at an interest rate of 4.70%
- An invoice and contract financing facility provided by Intesa San Paolo to JMC GROUP. This is a short term liability at an interest rate of 4.112%.
- A variable rate bank loan provided by Banco BPM bank loans to Xinntex. The loans have a 6 years terms with expiry date of 11 March 2027. The loans have a variable Interest rate of 1.4% + EURIBOR 3m 360.
- An Invoice financing facility provided by BPM to XINNTEX. This Is a short term liability at an interest rate of 5.60%.
- An invoice financing facilities provided by Intesa San Paolo to InvrSION. This is a short term liability at an interest rate of 6.7030% (TAN)
- A short-term overdraft facility provided by Intesa San Paolo to InvrSION. This is a short term liability at an interest rate 4.691% (TAN)
- An invoice financing facilities provided by Banca BPER to InvrSION. This is a short term liability at an interest rate of 4.42% (TAN)
- A short-term overdraft facility provided by Banca BPER to InvrSION. This is a short term liability at an interest rate 3.91% (TAN)

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | 4,149 |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 7,723 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 4,061 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 11,783 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | N/A |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: N/A | |
| 8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: N/A | |
| 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: N/A | |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2024

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.