

8 August 2025 Australia

ASX RELEASE**Vection Defence focus AI presentation - August 2025**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY, FRA: S1X), ("Vection" or the "Company"), the INTEGRATEDXR[®] company is pleased to announce an investor presentation titled " Vection Defence focus AI presentation".

The presentation provides:

- an update on the Company's strategy, in particular in the Defence sector;
- flags first annual positive unaudited "underlying EBITDA" result for FY2025; and
- provides outlook and aspirational targets for FY2026 revenue and future periods.

AUTHORISATION:

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

ENDS**INVESTOR RELATIONS CONTACT DETAILS:**

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ABOUT VECTION TECHNOLOGIES:

Vection Technologies is a growing enterprise-focused company that helps businesses bridge the physical and digital worlds. We help 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 and is also listed on Germany's Frankfurt Stock Exchange under the ticker S1X.

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

VECTION TECHNOLOGIES LTD

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

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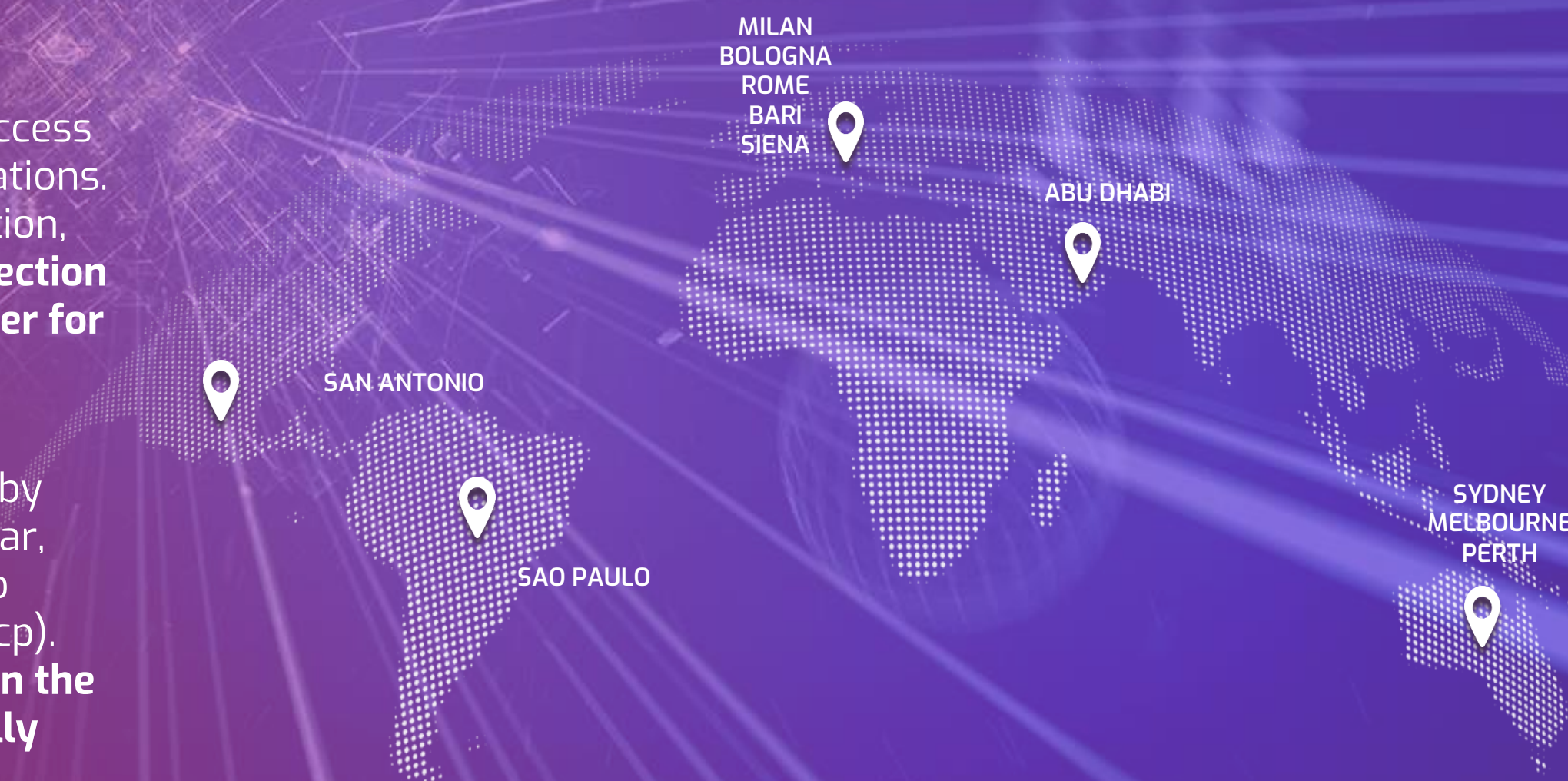
Solving real-world business challenges in the digital world

August 2025

Executive Summary

- Vection Technologies Ltd (ASX: VR1) operates globally with 100+ clients and 200+ employees, solving real-world business problems in the digital world. Despite being sector agnostic, Vection's defence clientele is rapidly growing given heightened geopolitical tension, greater defence spend and the increased adoption of integrated software applications.
- Vection's value proposition in the defence sector is underpinned by its proprietary Spatial Computing (VR, AR, XR, MR) and Artificial Intelligence (AI) technologies, coupled with hardware.
- The proprietary software platform gives a single point of access to integrate multiple Vection applications into client's operations. This enables smarter decision-making, seamless collaboration, and immersive experiences; **a key point of difference for Vection that is demonstrating its ability to become a trusted partner for leading, global contractors.**
- Enormous addressable market with forecasted ~US\$1.8 Tn by 2030 (~30% CAGR). Vection has won a small portion thus far, underpinned by 1H25 Revenues of \$17.4m (up 60% pcp; pro forma, unaudited) and positive adjusted EBITDA (up 69% pcp). **Importantly, defence expenditure as a percentage of GDP in the EU is currently ~2%, which is expected to grow substantially given NATO's proposed 5% GDP target.**

Vision to be a leader in combining Spatial Computing and Artificial Intelligence to drive greater business benefit.



Company Value Proposition

CAPABILITIES



TAM¹

\$1.07 Tn in 2030 (CAGR 22%)

\$827 Bn in 2030 (CAGR 28%)

FINANCIALS

FY25 YTD: Growing revenue, 35-40% blended Gross Margins, ~\$17m fixed cost base, EBITDA positive

SaaS Products/Support
Proprietary (Annual Recurring)

Services/Installation
Proprietary (One-Off)

Hardware/Cyber Appliance
Proprietary & Partner (One-Off)

34% of Revenue | 75% Gross Margins

38% of Revenue | 50% Gross Margins

28% of Revenue | 20% Gross Margins

PIPELINE

Sales pipeline of ~\$50m under negotiation (\$25m in FY26)

CORPORATE

Market Capitalisation \$70m

Consistent history of diversified revenue growth

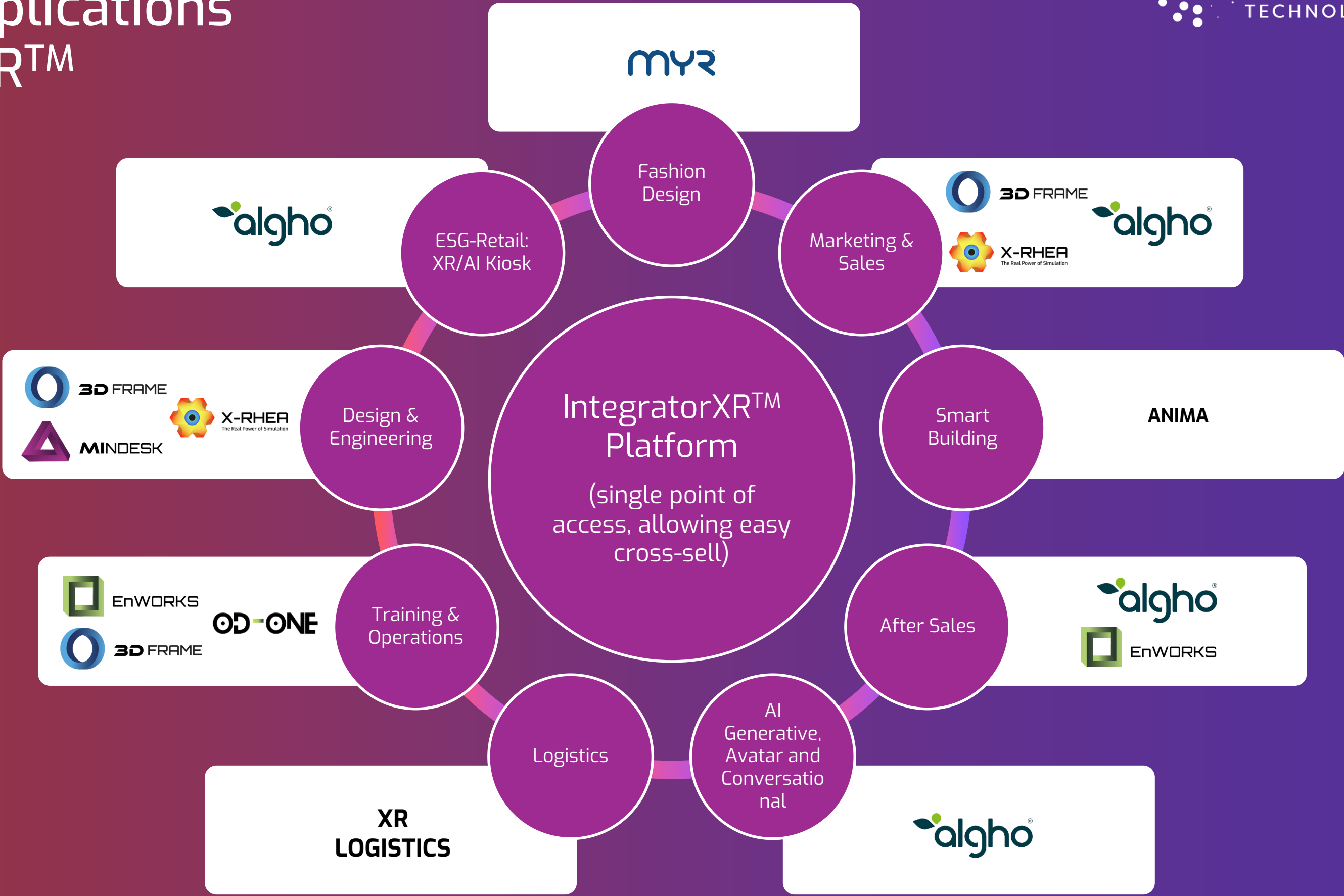
Long standing, highly experienced Management

Unsecured debt, ~5 year term, low interest, with no covenants

Experienced and connected Board of Directors

¹ TAM : Total Addressable Market, based on market research (Gartner, Bloomberg) and management estimates of the potential revenue opportunity across multiple verticals and jurisdictions where the Company has a product or service.

Proprietary Applications on IntegratorXR™

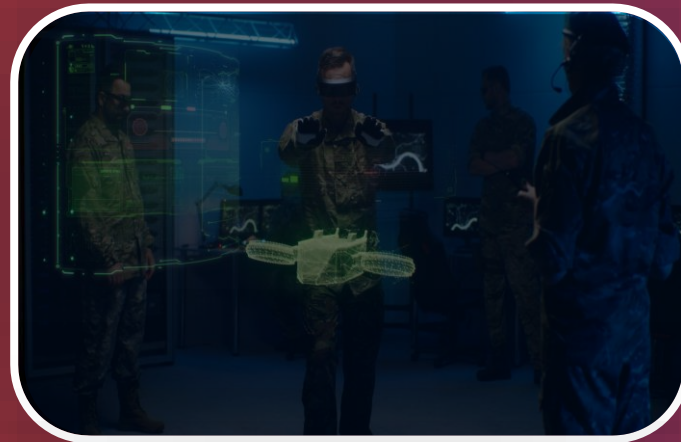


The Defence Sectors Solution - AI and Immersive Technology



Focus Industries

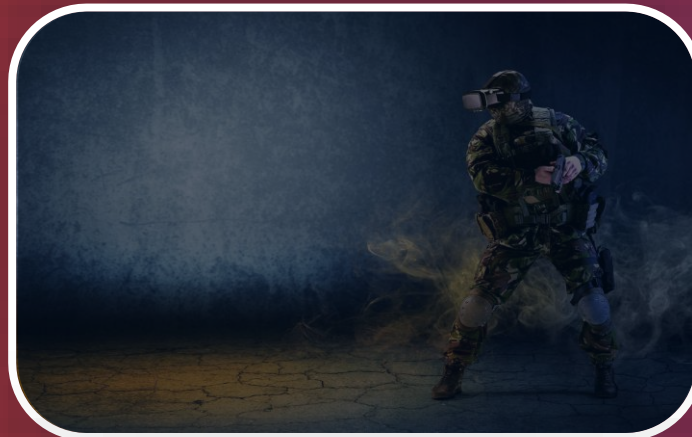
Defence



Engineering & Maintenance

- Immersive technologies can also be utilized to create virtual models of equipment, vehicles and buildings. This helps personnel to understand how these systems work and identify potential problems before they happen in mission critical scenarios.
- AI algorithms, combined with XR content delivery output, create efficiency in the enterprise and government processes enabling strong and durable sustainability.

Aerospace, Military



VR & AR Training Simulations

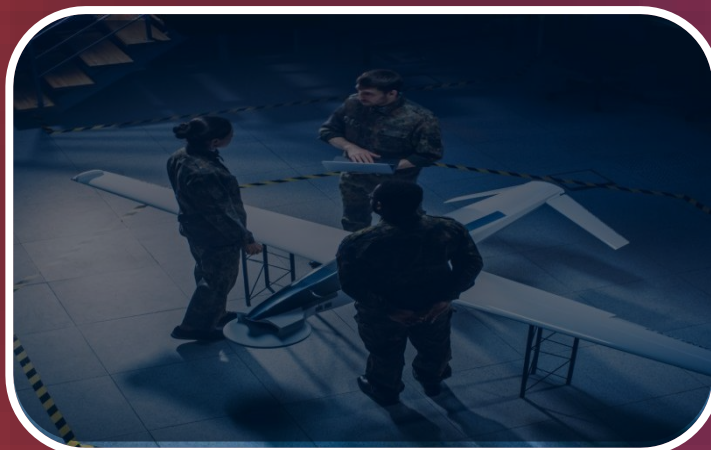
- VR and AR for training in defence, military and law enforcement. These technologies provide realistic simulations of a variety of scenarios, such as combat and hostage situations, with the goal of helping personnel prepare for real-life eventualities.
- XR technologies accelerate up to 70% the learning time of complex scenarios, reducing over 40% of on-boarding related costs.

Law Enforcement

Industrial

Manufacturing

Transportation



Situational Awareness & Intelligence Gathering

- An equally important use of Vection's technology is situational awareness and intelligence gathering. These technologies can be used to provide real-time information and enhance situational gathering to the demands of the modern battlefield.
- AI technologies enhance capabilities of data correlation, data enrichment and real-time data analysis, supporting activities of Intelligence Agencies across Europe, Middle-East and South-East Asia.

Defence Sector Case Studies

In a sector experiencing significant tailwinds, Vection has been the beneficiary of increased spend. **In the last 12 months Vection has won A\$19.4M in contracts, excluding the future A\$19M work program scheduled (but not yet awarded) out to 2030 with a number 1 contractor in EU (top 15 globally).**

The subsequent case studies demonstrate 2 recent relationships that highlight Vection's ability to efficiently win, grow and retain contracts from blue chip clients.

Cumulative contracted value of ~\$17m over 2 years, with an additional ~\$19m program



Client: The number 1 contractor in EU (top 15 globally) and NATO Tempest vendor.

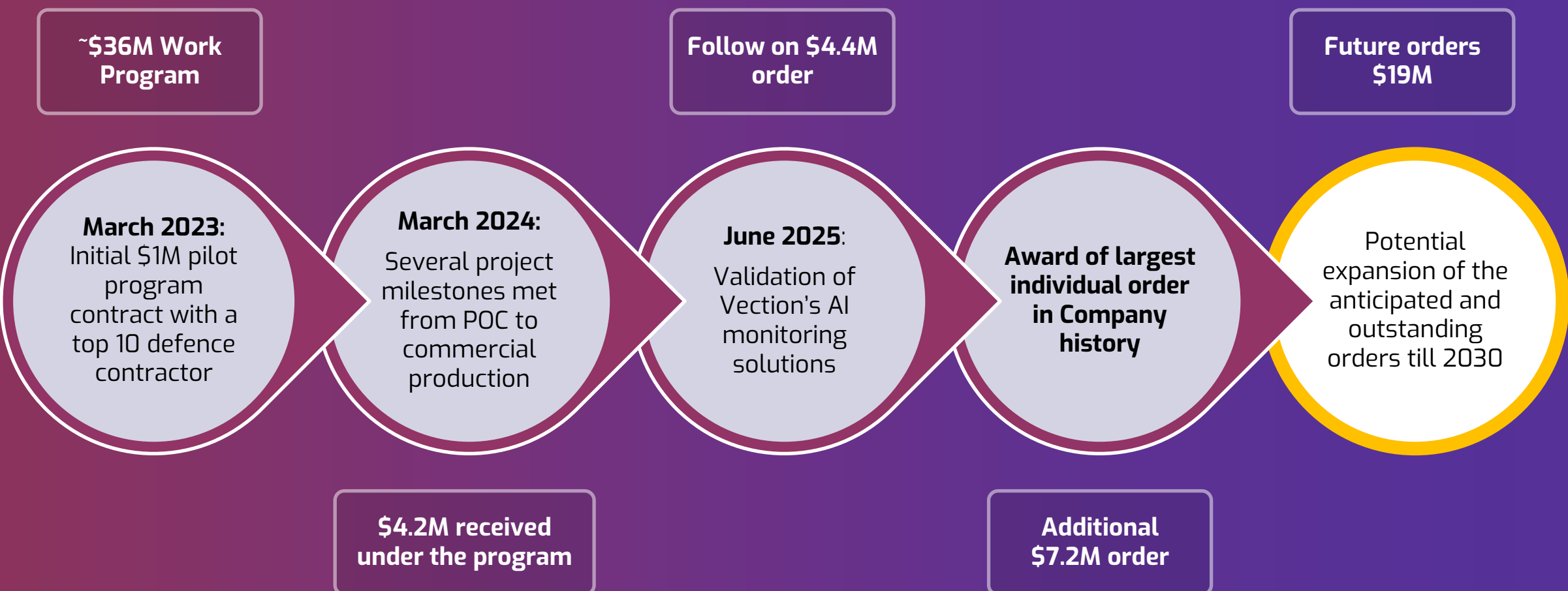
Problem: improving mission-critical ICT infrastructure and AI-powered monitoring solutions and analytics

Solution:

AI Technology (powered by NVIDIA GPU) 

Digital-transformation initiatives for multi-domain defence operation.

Result: improve workflow for real-time, data-driven defence operations within the NATO Tempest production chain. By combining technologies, the client will possess improved capabilities to oversee and safeguard critical assets.



Defence Sector Case Studies



Largest Individual Contract Win of \$7.2M



Client: The number 1 defence contractor in EU (top 15 globally) and NATO Tempest vendor. This is an approved extension under the client's annual delivery plan.

Problem: Supporting Real-Time Operational Decision

Solution:

AI Technology
(powered by NVIDIA GPU)

Hardware: AI Capable Edge Datacenter.

Tempest Campus Rack with Hyper-converged AI Nodes for Real-Time environment monitoring and analysis for field military operation

Result: Improving multi domain military activities managed by AI data-driven decision making. For Vection this validates them as a key provider of solutions across various domains.

**The client has no termination rights regarding the total contract award*

Cumulative contracted revenue of
~\$9.4m across 5 orders over 14 months



Client: technology service provider specialising in cybersecurity and infrastructure security solutions

Problem: enhancing defence monitoring capabilities, cyber and data security and data processing

Solution:

AI Technology
(powered by NVIDIA GPU)

ICT solution that strengthens cyber and data security. Spatial computing and 3D modelling to improve data visualisation, security and real-time analytics.

Result: Improving international security intelligence for law enforcement and government agencies. Thanks to Vection's technology, the customer has enabled repeatable and scalable ongoing work, accelerating and managing big data analysis, in order to improve real-time decision-making capabilities.

General Case Studies – Rich product applications & IP



Client: Global food & beverage conglomerate

Problem: Physical showrooms are an expensive way to test and optimise new products and their placement within retailers.

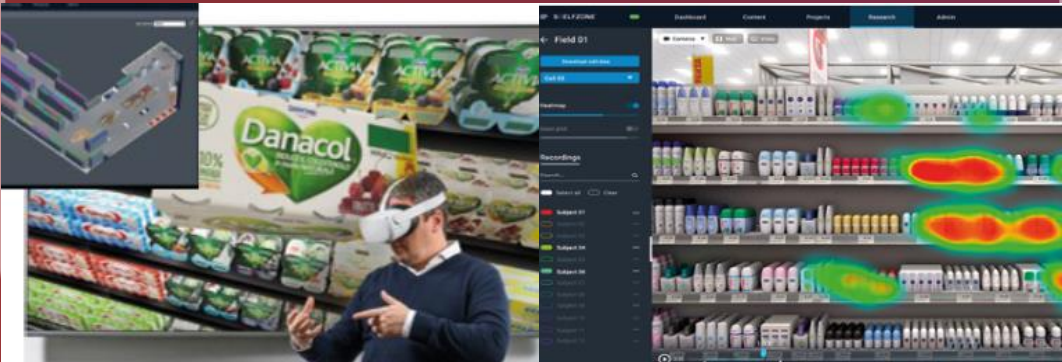
Solution: Spatial Computing & VR hardware

SHELFZONE™



Creation of complete VR retail store

Result: Client optimised seasonal exhibitions using digital mockups and products, running detailed shopper analysis, reducing environmental waste and costs (human resources, maintenance, logistics & product).



Client: European Insurance Conglomerate

Problem: Lack of disaster scenario training for clients

Solution: Spatial Computing & VR/AR hardware



Creation of VR disaster scenario training environment

Result: Staff of the client's customers can be trained on a range of disaster scenarios, reducing cost of damages and human injury, leading to lower insurance payouts and cheaper premiums for customers.



Client: Australian property group

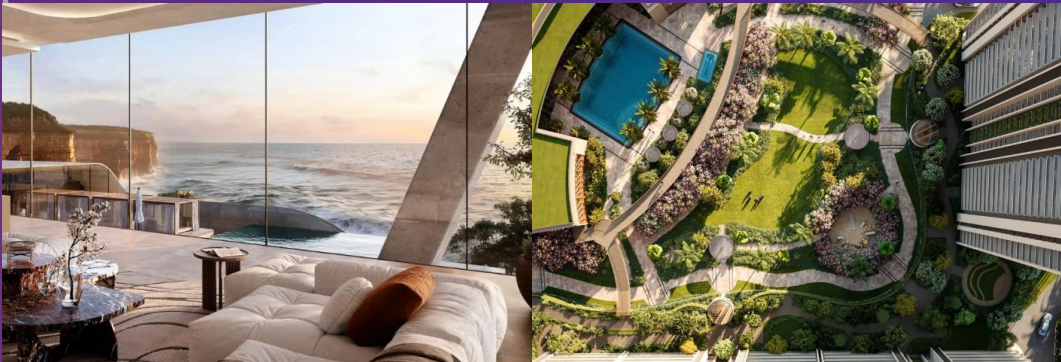
Problem: Selling off-the plan property to international investors (\$2bn Sydney development).

Solution: Spatial Computing & VR hardware



Creation of high-resolution VR walk through of property assets

Result: Property agent able to meet the client at the digital property address. Greater sales conversation from interstate and international investors.



Global Customer Ecosystem – Sector Agnostic



EDGE



NATUZZI



Powerful Integrations & Partnerships

Software integrations



Hardware integrations



Partnerships & Resellers



Competitive Landscape & Advantage in

Main Competitors



The Vection Advantage

- Leading innovators in the field of operation & maintenance for defence (various types of vehicles)
- Proven track-record with IP establishing a strong market position and demonstrates performance
- Modular software and proprietary IP architecture allows for rapid deployment and customisation across domains
- Dual-use technology applicable across , aerospace, law enforcement and commercial sector
- Europe-based manufacturing ensures supply-chain security and compliance with defence regulations
- Agile development and deliverance catering to the rising market-urgency

IP & Certifications

- The INTEGRATEDXR proprietary IP is the cornerstone of Vection bridging VR, AR, MR, enhanced by AI



- 29 global patents and 4 ISO certificates



Partnerships



Building Momentum Through FY25 & Beyond



**H2 OPERATING
CASH FLOW**

~\$4m

Inclusive of the proforma cash flow in Q4, H2 2025 demonstrates strong operating cash flows and margin expansion



**FY 2025
Revenue**

~\$38m

Growth 12% pc
New FY is supported by a strong pipeline of ~\$50M



**Recurring
Revenue**

35%

35% of Revenue is now recurring, up 209% PCP



**Positive
Underlying
EBITDA for FY25**

In the previous fiscal year, underlying EBITDA was negative -\$1.05 m

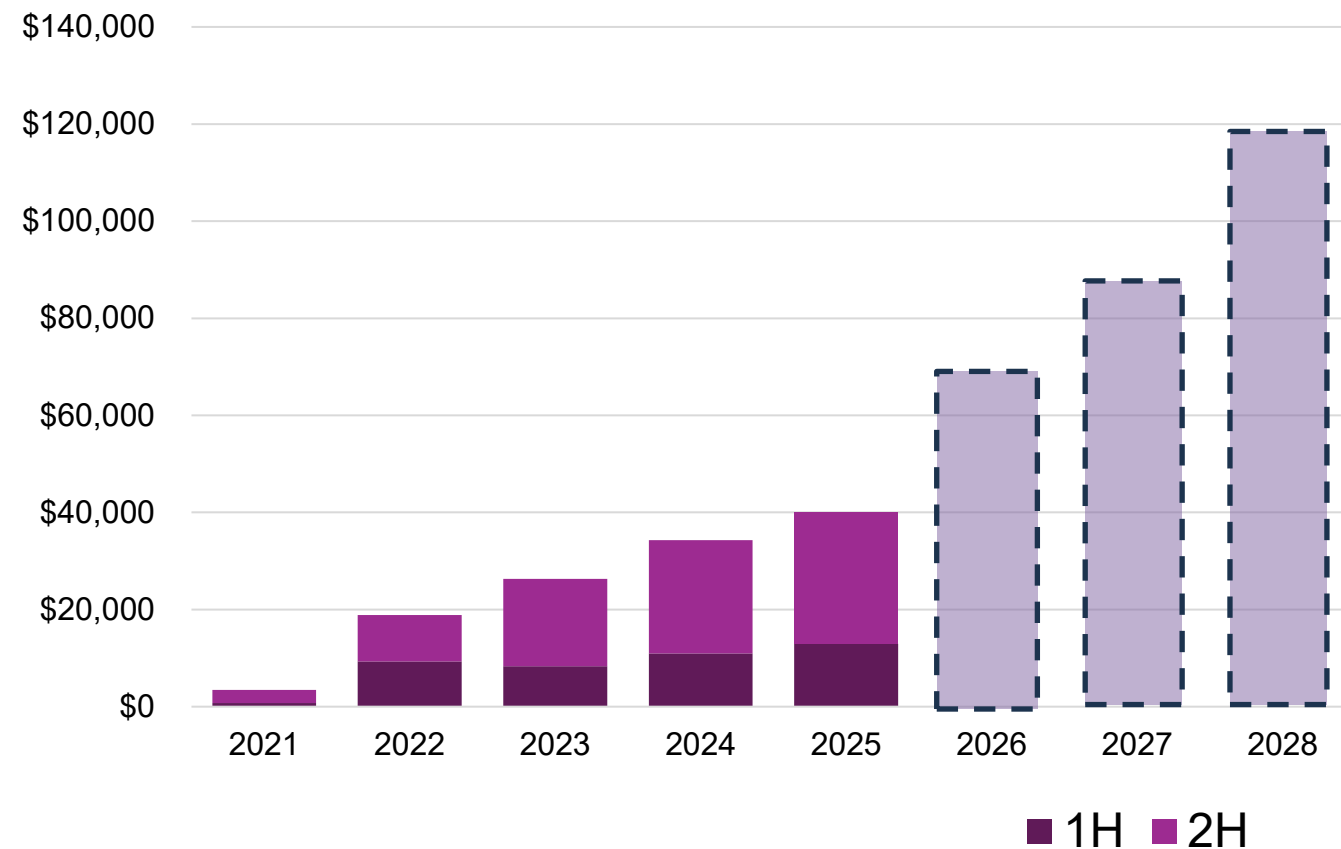
**All figures remain unaudited*

**Using the average semiannual exchange rate of 1.75 eu/aud*

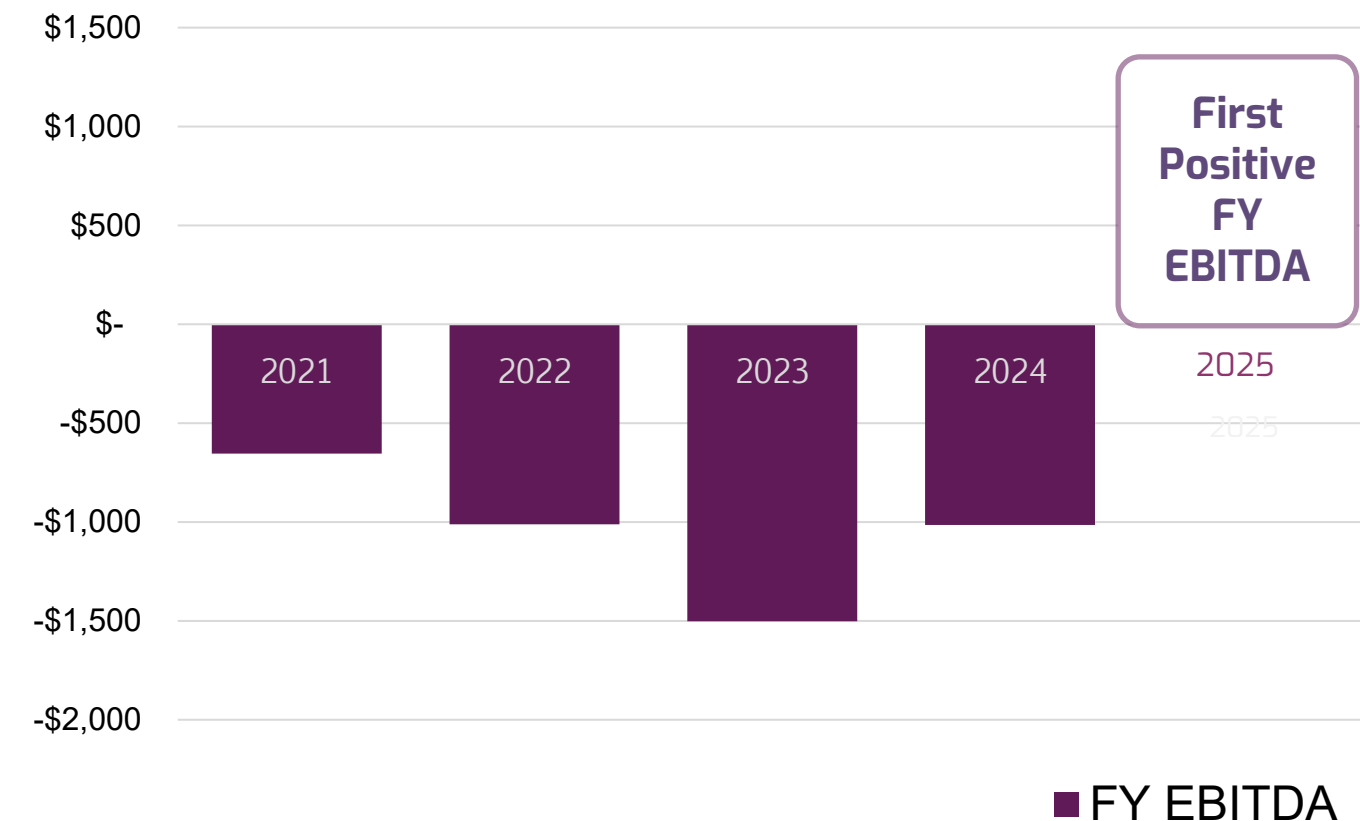
Historical & Future Financial Performance

Revenues (\$ '000)

2026 – 2028 Aspirational Target¹



EBITDA Underlying² (\$ '000)



- **2028 Strategic Target:** following multi sector penetration and continued expansion of sales and technology capabilities, Vection plans to be strategically positioned as the go to integrated software provider in the EU.
- **High Revenue Growth:** The impressive growth from FY18 to FY25 reflects successful expansion. Revenue has steadily increased from \$0.5m in FY18 to \$34 in FY24; Seasonal 2H weighing and ~34% recurring.
- **Scalable Market Strategy:** Scalable model in high-tech markets, supported by strong operating leverage.

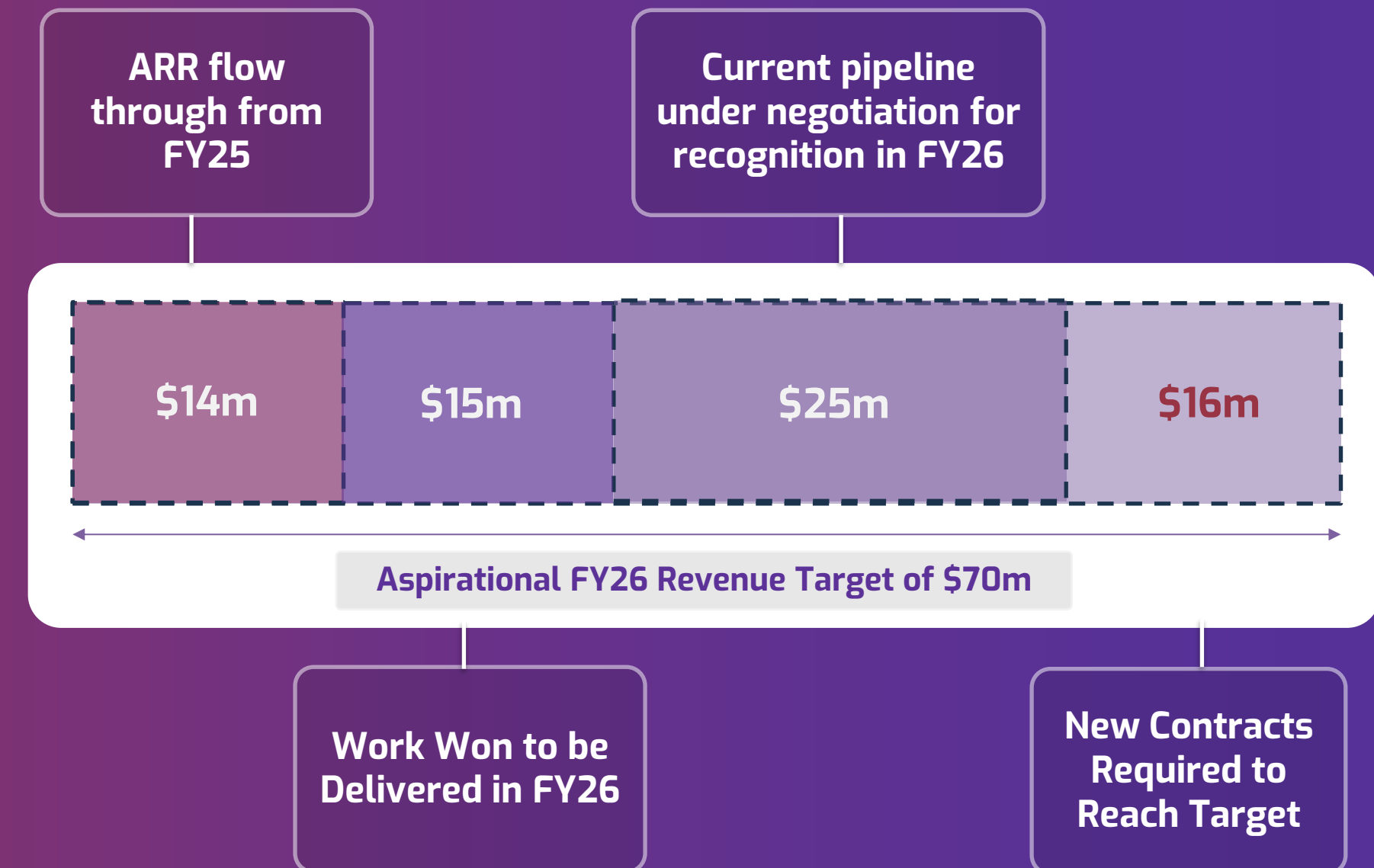
- **Operating Leverage:** Stable fixed cost base following a rationalization program, which has produced 2 consecutive quarters of net positive operating cashflow (improved from loss of \$1.2m pcq)
- **Margin Expansion:** Gross Profit Margin for FY25 is tracking to 35-40%
- **Strong CAGR:** 5-year revenue CAGR of +119%

¹ The 2026 – 2028 Aspirational Targets are based on a number of assumptions and are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially

² pro forma, unaudited, adjusted for one off M&A costs, share based payments & impairment costs

Sales Pipeline and Revenue Pathway Forward

- Several new and existing clients under negotiation and pilot programs.
- **Pipeline conversion rates have increased from 30 – 45% to 50 – 65%.**
- Vection has already won \$15m in work to be delivered for FY26. Vection's recent sales momentum is expected to drive the expansion of the sales pipeline in the short term.
- **Vection's track record and 5-year, 119% CAGR supports the acceleration of revenue over the subsequent 3 years.**
- The growing recurring revenue base supports further contract extensions and the foundation for a material uplift in FY26 revenue.
- Vection's aspirational targets are underpinned by client retention, pilot program expansions and cross selling opportunities, which is demonstrated in the work program within NATO being upsized to \$37m.
- **An increased sales team to drive international expansion and positive R&D outcomes to support additional product releases, will accelerate sales opportunities and revenue growth.**



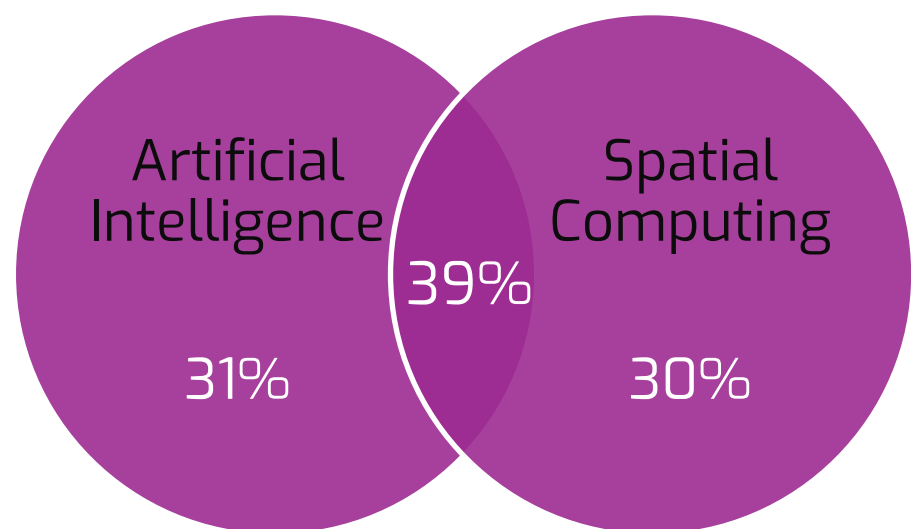
Diversified Business with an Emphasis on Defence

Revenue by industry as at H1 2025

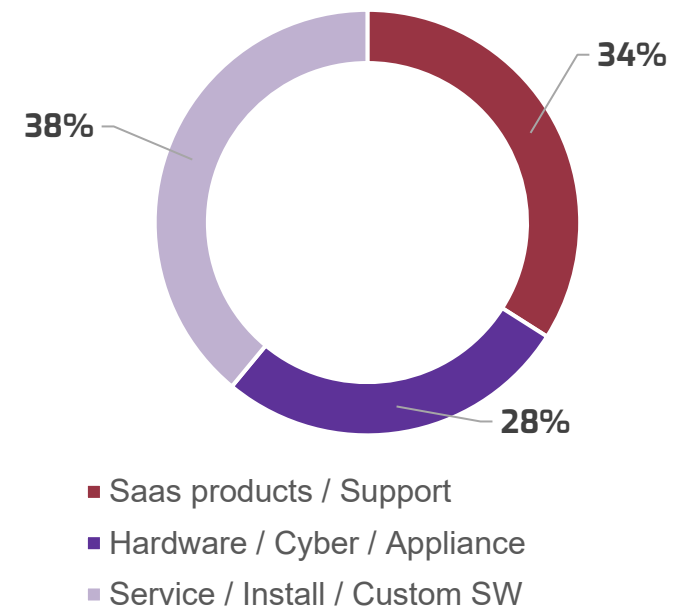


Rapid expansion in the sector has been demonstrated with several recent, material contract wins. As a result, Vection anticipates defence to represent the largest portion of near-term revenue results as Vection strategically positions itself as the leading software service provider in the sector.

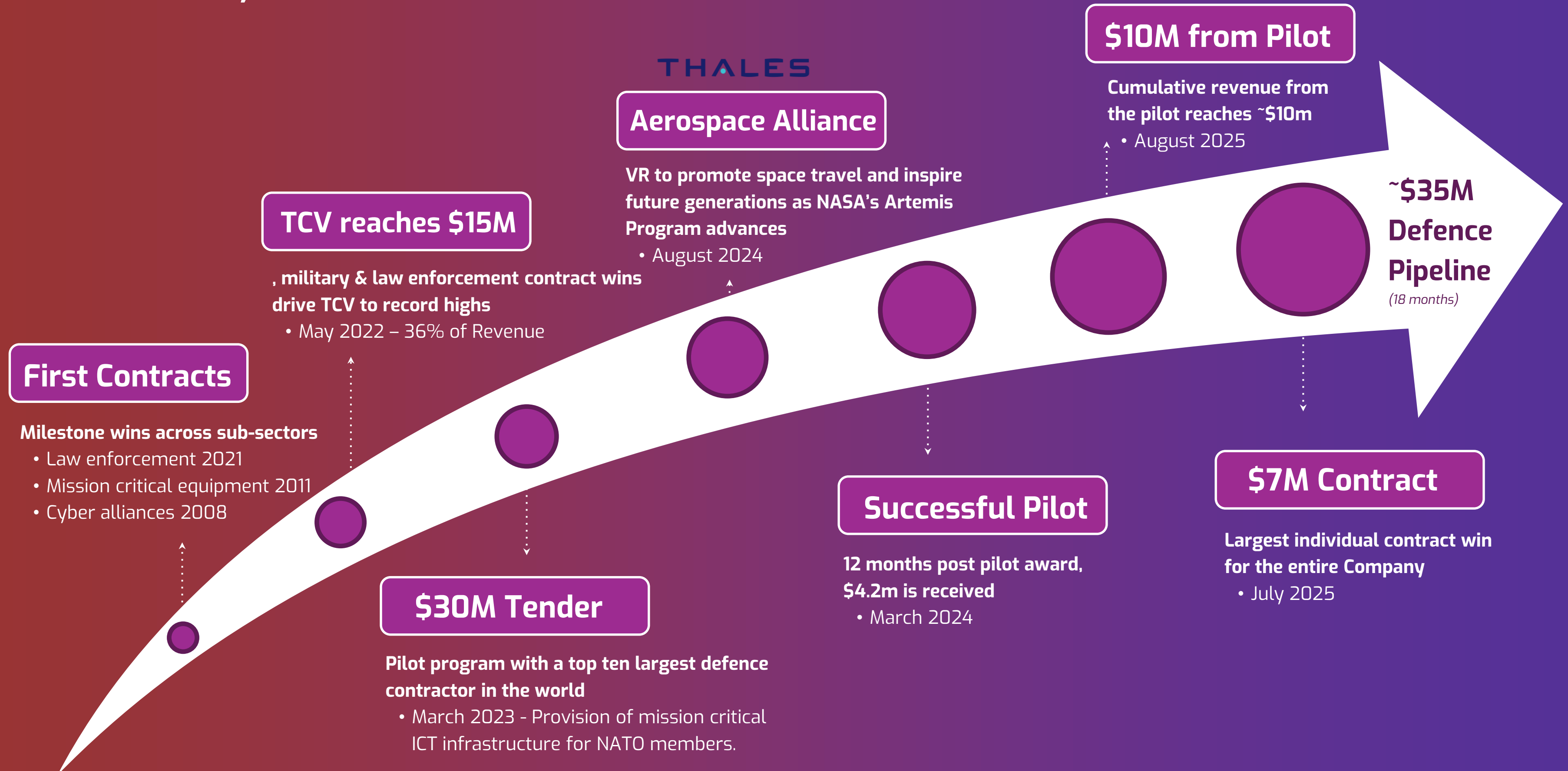
Revenue composition



* As at Half Year FY25



A History of Success in the Defence Sector



Four Pilot Programs Supporting a Robust Pipeline

A scalable solution to improve maintenance of the aircrafts, helicopters, ships & tanks for 4 clients

Problem Statement

In the pilot Vection aims to digitise and optimise the entire maintenance, quoting, analysis and repair process to enhance both the speed and quality of execution. This includes:

- 1 - Digitisation of maintenance procedures
- 2 - Automation of the quotation process
- 3 - Optimisation of parts prediction
- 4 - Establishment of a centralised digital knowledge base
- 5 - Implementation of fully digital maintenance workflows

Ultimately, this attempts to produce a fully optimised, high performance maintenance ecosystem that leverages digital tools to drive effective service delivery.

Program Workflow

Input

Data Entry

- Service engineer checks the status of the item and reports all action items
- This process is integrated with CareAR for CRM connectivity and visual instructions to guide subsequent procedures.

Elaboration

Date Processing

- Stored digital forms are then used by Algho AI to process requests. Data is cleaned and structured for improved use

Parts Identification & Reporting

- The data is also analysed by Algho AI to identify items to be replaced and ordered. The system then cross references the information with relevant internal guidelines like manuals for validation

Parts Validation

- Algho AI uses computer vision to verify the items by analysing images and comparing them against every internal item entry. Compatible replacement parts are also searched for.

Output

Order Document Generation

- Following item validation, Algho AI automatically generates the order document. The item details are then integrated into the purchasing system.

Maintenance Intelligence & Insights

- Post purchase, users can leverage Algho AI's insights features to track performance, usage and trends. The system aggregates historic and real time data to identify issues, efficiencies and item lifecycles to then support improved decision making.

Upcoming Milestones in Defence

<i>Technology and Commercialisation Catalysts</i>	<i>Timing*</i>
Positive R&D outcomes to support additional product releases (Algho AI improves CareAR and XMPie Xerox Platform)	Q1 2026
Commercial extensions of current programs - follow-on orders with an existing global defence contractor	H1 2026
Ongoing pilot program developments (GORIZIANE – ITA, KNDS – FRA, DASSAULT AVIATION – FRA, ARQUUS – FRA)	H1 2026
ICT infrastructure related contract wins – both new program deployment and refreshed technology	H1 2026
Successful completion of pilot programs with a transition to commercial technology production and implementation	H2 2026
Expansion of the sales team to support the accelerating sales pipeline and international expansion	H1 2027
Scaling in the US Market through Dell Technologies and Xerox Sales Force	H1 2027

**Indicative & Relating to Vection's Fiscal Year*

Board of Directors & Key Management



Marco Landi

Independent Non-Executive Chair

Former COO of Apple, President of BMC Software EMEA and Senior Executive of Texas Instruments, Inc.



Gianmarco Biagi

Managing Director & CEO

Ex-CEO of multinational companies, President of Settepuntonove Holding, with 20+ years expertise in manufacturing & new technologies.



Lorenzo Biagi

Executive Director

Executive Director with 10+ years in virtual reality tech, sales, and cost control, improving corporate development and innovation.



Jacopo Merli

Executive Director & COO

Founder of JMC Group, acquired by Vection, with experience in sectors like Military & Telco.



Cameron Petricevic

Independent Non-Executive Director

Executive and board member of private and ASX-listed companies with 20+ years of experience. Qualified Actuary (AIAA) and graduate of the Australian Institute of Company Directors (GAICD).



Virgilio Picca

Group CFO

Experienced CFO and Chartered Accountant with a background in NYSE-listed companies, having led finance, M&A, and international growth projects across industrial, aerospace, and consulting sectors.



Bert Mondello

Independent Non-Executive Director

Non-Executive Director, tech and corporate advisor with 20+ years in public & private sectors, expertise in IR + strategy.

Corporate Snapshot

Share Price Performance (12 months)



ASX Information

VR1 Securities	Fully Paid Ordinary Shares	1,769m
Share Price	5 August 2025	\$0.04
Market Cap	Fully Paid Ordinary Shares only	\$70.7m
Cash available	Inclusive of pro-forma cash flow adjustments to Q4	~\$7.7m
Other Securities on issue		
VR10	Options (listed) – \$0.018 Expiring Nov-2027	368.0m
VR1AA ¹	Performance Rights	1
VR11 ²	Performance Rights (TDB)	36

¹ Converts into up to 62m shares, subject to achievement of performance milestones.

² Converts into up to 50m shares, subject to achievement of performance milestones.



Certain statements in this release are **forward-looking statements**. These statements are not historical facts but are based on Vection Technologies' current expectations, estimates, and projections about the industry in which it operates, as well as its beliefs and assumptions. Forward-looking statements can generally be identified by words such as **"anticipate," "believe," "expect," "project," "forecast," "estimate," "intend," "should," "will," "could," "may," "target," "plan"** and other similar expressions, as defined under applicable securities laws.

Forward-looking statements include **indications, guidance, or outlook on future earnings, distributions, financial position, or performance**. 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 Vection Technologies' control. These factors may be difficult to predict and could cause actual results to differ materially from those expressed or implied in forward-looking statements.

Vection Technologies **cautions shareholders and prospective investors** not to place undue reliance on these forward-looking statements, which reflect the company's views only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these statements.

Vection Technologies is under no obligation to publicly update or revise any forward-looking statements to reflect subsequent events, circumstances, or unanticipated developments, **except as required by law or relevant regulatory authorities**.

This ASX announcement was approved by the Board of Vection Technologies.

Thank you.

vection-technologies.com