

# VECTION TECHNOLOGIES LTD

## ACN 614 814 041

---

### OPTIONS PROSPECTUS

---

For the offer of:

- (a) up to 200,000,000 New Options to participants in the Placement, on the basis of one (1) New Option for every one (1) Share subscribed for and issued to the participants under the Placement (**Placement Offer**); and
- (b) 70,000,000 New Options to the Lead Manager of the Placement (or its nominee) (**Lead Manager Offer**),

(together, the **Offers**).

#### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

**The New Options offered by this Prospectus should be considered as highly speculative.**

---

## IMPORTANT NOTICE

---

This Prospectus is dated 1 November 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Options offered by this Prospectus should be considered as highly speculative.

Applications for New Options offered pursuant to this Prospectus can only be made by an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus.

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

### No investment advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for New Options under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and

investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

### Overseas shareholders

These Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offers are not being extended and the New Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.10.

### Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of its Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

### Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website ([www.vection-technologies.com](http://www.vection-technologies.com)).

### Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.vection-](http://www.vection-technologies.com)

technologies.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6380 7446 during office hours or by emailing the Company at [secretary@vection-technologies.com](mailto:secretary@vection-technologies.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **Company website**

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

#### **Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of New Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

#### **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Options, the Company may not be able to accept or process your application.

#### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 6380 7446

---

## CORPORATE DIRECTORY

---

### Directors

Gianmarco Biagi  
*Managing Director*

Jacopo Merli  
*Executive Director*

Lorenzo Biagi  
*Executive Director*

Gianmarco Orgnoni  
*Non-Executive Director*

Umberto (Bert) Mondello  
*Non-Executive Director*

### Company Secretary

Derek Hall

### Registered Office

The Garden Office Park  
Building C, Level 4  
355 Scarborough Beach Road  
OSBORNE PARK WA 6017

Telephone: +61 8 6380 7446

Email: [secretary@vection-technologies.com](mailto:secretary@vection-technologies.com)

Website: [www.vection-technologies.com](http://www.vection-technologies.com)

### Auditor\*

RSM Australia Partners  
Level 32  
Exchange Tower  
2 The Esplanade  
PERTH WA 6000

### Share Registry\*

Automic Registry Services  
Level 5  
191 St Georges Terrace  
PERTH WA 6000

Telephone: +61 8 9324 2099

Email: [hello@automic.com.au](mailto:hello@automic.com.au)

### Legal Advisers

Steinepreis Paganin  
Level 14 QV1 Building  
250 St Georges Terrace  
PERTH WA 6000

### Lead Manager to the Placement

Evolution Capital Pty Ltd  
Level 8  
143 Macquarie Street  
SYDNEY NSW 2000

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

---

## TABLE OF CONTENTS

---

1.	INDICATIVE TIMETABLE.....	1
2.	DETAILS OF THE OFFERS.....	2
3.	PURPOSE AND EFFECT OF THE OFFERS .....	5
4.	RIGHTS ATTACHING TO SECURITIES.....	7
5.	RISK FACTORS.....	11
6.	ADDITIONAL INFORMATION .....	18
7.	DIRECTORS' AUTHORISATION .....	23
8.	GLOSSARY .....	24

---

## 1. INDICATIVE TIMETABLE

### 1.1 Key Offer Information

ACTION	DATE*
Lodgement of Prospectus with ASIC and ASX	1 November 2024
Opening Date of Offers under Prospectus	1 November 2024
Closing Date (5:00pm AWST)**	8 November 2024
Issue of New Options under the Offers	11 November 2024

\* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice.

\*\* Subscribers under the Offers should ensure that they have lodged their Application Form by this date.

### 1.2 Background

On 5 September 2024, the Company completed a placement to institutional, sophisticated and professional investors to raise \$2,000,000 (before costs) through the issue of 200,000,000 Shares at an issue price of \$0.01 per Share (**Placement**).

The Company also agreed, subject to Shareholder approval, to issue one (1) New Option for every one (1) Share subscribed for and issued under the Placement, exercisable at \$0.018 each on or before the date that is three (3) years from the date of issue.

The Company issued:

- (a) 88,000,000 Shares under ASX Listing Rule 7.1; and
- (b) 112,000,000 Shares under ASX Listing Rule 7.1A,

pursuant to the Placement on 5 September 2024.

The Company obtained Shareholder approval pursuant to ASX Listing Rule 7.1 at a general meeting on 28 October 2024 (**General Meeting**) for the issue of the New Options pursuant to the Offers.

Proceeds from Placement will be used towards:

- (a) supporting the acquisition of generative Artificial Intelligence company The Digital Box S.p.A. as announced to ASX on 29 August 2024 (**Acquisition**);
- (b) ongoing working capital; and
- (c) costs of the Offers.

Further information in relation to the Placement is set out in the ASX announcement released on 29 August 2024 titled 'Generative AI Company Acquisition' and in the Company's notice of General Meeting released to ASX on 23 September 2024.

---

## **2. DETAILS OF THE OFFERS**

### **2.1 Placement Offer**

The Placement Offer is an offer of one (1) New Option for every one (1) Share subscribed for and issued under the Placement.

The New Options offered under the Placement Offer pursuant to this Prospectus will be exercisable at \$0.018 each on or before the date that is three (3) years from the date of issue and otherwise on the terms set out in Section 4.1. All Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to the Shares.

The maximum number of New Options to be issued under the Placement Offer is 200,000,000, calculated on the basis of one (1) New Option for every one (1) Share subscribed for under the Placement.

No funds will be raised from the Placement Offer as the New Options are being issued for nil consideration.

### **2.2 Lead Manager Offer**

The Lead Manager Offer is an offer of 70,000,000 New Options to the Lead Manager (or its nominee).

No funds will be raised from the Lead Manager Offer as the New Options are being issued in consideration for services provided by the Lead Manager in connection with the Placement.

The New Options offered under the Lead Manager Offer pursuant to this Prospectus will be exercisable at \$0.018 each on or before the date that is three (3) years from the date of issue and otherwise on the terms set out in Section 4.1. All Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to the Shares.

### **2.3 Lead Manager**

Evolution Capital Pty Ltd (ACN 652 397 263) (Corporate Authorised Representative (number 1293314) of Evolution Capital Securities (ACN 669 773 979), being the holder of AFSL 551 094) (**Lead Manager**) was engaged by the Company to act as Lead Manager to the Placement under a mandate letter dated 23 August 2024 (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Company agreed to pay/issue the Lead Manager:

- (a) a capital raising fee equal to 6% (plus GST) of the total amount raised under the Placement (comprising a 2% management fee and a 4% selling fee); and
- (b) 70,000,000 New Options.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnity provisions and confidentiality provisions).

### **2.4 Minimum subscription**

There is no minimum subscription for the Offers.

### **2.5 Not underwritten**

The Offers are not underwritten.

### **2.6 Oversubscriptions**

No oversubscriptions will be accepted by the Company under the Offers.

## **2.7 Applications**

Applications for New Options can only be made by the participants in the Placement and the Lead Manager (or their respective nominee(s)) at the direction of the Company and must be made using the appropriate Application Form accompanying this Prospectus. Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date. The New Options are being issued for nil cash consideration and therefore the Applicants are not required to pay any funds with their application.

By completing an Application Form, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of this Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by **no later than 5:00pm (AWST) on the Closing Date**.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Company Secretary on +61 8 6380 7446.

## **2.8 Issue of New Options**

New Options issued pursuant to the Offers will be issued in accordance with the timetable set out in Section 1 of this Prospectus.

Holding statements for New Options issued pursuant to the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus.

## **2.9 Defects in Applications**

If an Application Form is not completed correctly, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

## **2.10 Overseas shareholders**

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the New Options these Shareholders would be offered, and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

### **New Zealand**

The New Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Nominees and custodians**

Nominees and custodians may not submit an Application Form on behalf of any Shareholder resident outside Australia or New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly



completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

## **2.11 Enquiries**

Any questions concerning the Offers should be directed to the Company Secretary on +61 8 6380 7446.

### 3. PURPOSE AND EFFECT OF THE OFFERS

#### 3.1 Purpose of the Offers

The purpose of the Placement Offer is to offer investors who participated in the Placement one (1) free New Option for every one (1) Share subscribed for under the Placement.

The purpose of the Lead Manager Offer is to satisfy the Company's agreement to issue 70,000,000 New Options to the Lead Manager (or its nominee).

In addition to the above purposes, the Offers are being made under this Prospectus to remove any trading restrictions attaching to the New Options and any Shares issued on exercise of the New Options. The Company confirms that:

- (a) the New Options offered under this Prospectus are being issued with disclosure under this Prospectus (which is a disclosure document under Part 6D.2 of the Corporations Act); and
- (b) the Offers are being made such that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Holders of the New Options will be able to exercise the New Options into Shares and trade those Shares without the need for additional disclosure and without any trading restrictions.

#### 3.2 Effects of the Offers

The principal effects of the Offers, assuming the Company issues the maximum number of New Options under the Offers, will be to:

- (a) increase the number of Options currently on issue from 32,500,000 as at the date of this Prospectus to 302,500,000; and
- (b) to remove any trading restrictions attaching to the New Options and to enable the on-sale of any Shares issued on exercise of the New Options issued under this Prospectus.

#### 3.3 Effect of the Offers on capital structure

The effect of the Offers on the capital structure of the Company, assuming the Company issues the maximum number of New Options under the Offers, is set out below.

SHARES <sup>1</sup>	NUMBER
Shares currently on issue <sup>1,2</sup>	1,326,588,969
Shares offered pursuant to the Offers	Nil
<b>Total Shares on completion of the Offers</b>	<b>1,326,588,969</b>

**Notes:**

- 1. The rights attaching to the Shares are summarised in Section 4.2 of this Prospectus.
- 2. At the General Meeting, the Company received approval to issue 142,740,000 Shares to the Digital Box vendors and 14,274,000 Shares to Exchange Capital Advisory Pty Ltd in connection with the Acquisition. These are anticipated to be issued towards the end of November which will bring the total Shares on issue to 1,483,602,969 Shares.

OPTIONS	NUMBER
Options currently on issue <sup>1</sup>	32,500,000
New Options offered pursuant to the Placement Offer <sup>2</sup>	200,000,000
New Options offered pursuant to the Lead Manager Offer <sup>2</sup>	70,000,000
<b>Total Options on completion of the Offers</b>	<b>302,500,000</b>

**Notes:**

- 1. Unquoted Options (ASX: VR1AN) exercisable at \$0.25 each and expiring 3 December 2024.
- 2. Exercisable at \$0.018 each on or before the date that is three (3) years from the date of issue, the terms of which are set out at Section 4.1.

PERFORMANCE RIGHTS	NUMBER
Performance Rights currently on issue <sup>1</sup>	23,295,612
Performance Rights offered pursuant to the Offers	Nil
<b>Total Performance Rights on completion of the Offers</b>	<b>23,295,612</b>

**Notes:**

1. At the General Meeting, the Company received approval to issue 34 Performance Rights to the Digital in connection with the Acquisition. These are anticipated to be issued towards the end of November which will bring the total Performance Rights on issue to 23,295,646 Performance Rights.

The capital structure on a fully diluted basis as at the date of this Prospectus is 1,382,384,581 Shares and on completion of the Offers would be 1,652,384,581 Shares.

### 3.4 Financial effect of the Offers

No funds will be raised from the Offers as the New Options are being issued for nil cash consideration. However, if all New Options are exercised into Shares, the Company will receive \$4,860,000.

The expenses of the Offers are estimated to be approximately \$44,278. The expenses of the Offers will be met utilising the Company's existing cash reserves.

Accordingly, the immediate financial effect of the Offers will be to reduce the Company's existing cash reserves by \$44,278.

### 3.5 Substantial Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Officine 8k Srl	327,556,186	24.69%
Jacopo Merli	65,510,036	4.94%

There will be no change to the substantial Shareholders on completion of the Offers.

The Company confirms that no existing Shareholder will increase its shareholding to above 19.9% as a result of the Offers.

---

#### **4. RIGHTS ATTACHING TO SECURITIES**

##### **4.1 Terms of the New Options**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) fully paid ordinary share (**Share**) in the Company upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.018 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (AWST) on the date which is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five (5) Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(ii) is for any reason not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules, at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## **4.2 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares in the Company currently on issue and the Shares that will be issued on the exercise of the New Options offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. The Company is not required to pay any interest on a dividend. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend, the payment of the dividend is fair and reasonable to Shareholders as a whole and payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution, distribute among the Shareholders the whole or any part of the property of the Company, and decide how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

---

## 5. RISK FACTORS

### 5.1 Introduction

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the New Options and Shares issued upon the exercise of the New Options may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the New Options. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### 5.2 Company specific

RISK CATEGORY	RISK
<b>Control</b>	<p>Following completion of the Offers, whilst there will be no change to the substantial Shareholders of the Company, Director-related entity Officine 8k Srl's voting power in the Company will remain at 24.69%. Accordingly, Officine 8k Srl's significant interest in the capital of the Company means that it will be in a position to potentially influence the election of directors and the financial decisions of the Company, and its interests may not align with those of all other Shareholders. Further details in respect of Officine 8k Srl's interest is set out in Section 3.5.</p> <p>Officine 8k Srl holds a relevant interest in just under 25% of the Company. If Officine 8k Srl's relevant interest increases to more than 25% of the Company, this would mean that it has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.</p>
<b>Contractual</b>	<p>Completion of the Acquisition is subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p>



RISK CATEGORY	RISK
	If, for any reason, the Acquisition agreements is breached by any party, the Acquisition may not proceed in which case the Company may need to evaluate its future strategy and explore other acquisition opportunities.
<b>Additional Requirements for Capital</b>	The Company's capital requirements depend on numerous factors. Given that the Company's is a growing enterprise-focused company, it may require further financing in addition to amounts raised under the recently completed Placement. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce and scale back its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
<b>Negative publicity may adversely affect the Share price</b>	Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions. No such issues are currently known to affect the Company.
<b>Data loss, theft or corruption</b>	The Company stores data in its own systems and networks and also with a variety of third party service providers. Corruption, theft or loss of the data as a result of misuse, exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as insecure, which may lead to a decrease in the number of customers.
<b>Development</b>	The Company's products and services are the subject of continuous development and need to be substantially developed further in order to gain and maintain competitive and technological advantage, and to improve the products' and services' usability, scalability and accuracy. There are no guarantees that the Company will be able to undertake such development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability.
<b>Infrastructure and technology failure</b>	The Company relies on its infrastructure and technology to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including human error, power loss, equipment failure, improper maintenance including by landlords and security breaches. Service interruptions, regardless of their cause, may cause contractual and other losses to the Company.
<b>Personal information collection</b>	The Company collects, stores and processes highly sensitive, highly regulated and confidential information. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company in the technology industry.

RISK CATEGORY	RISK
<b>Product quality</b>	<p>The Company is dependent on the effective performance, reliability and availability of its technology platforms, software, third party data centres and communication systems. Therefore, there is a risk that the infrastructure and technology solutions supplied by the Company may not be functional, faulty, or not meet customers' expectations. This may lead to requirements for the Company to repair or improve its products after sale and or installation, which may diminish operating margins or lead to losses.</p>
<b>Security</b>	<p>As with all technology companies, the Company is reliant on the security of its products and associated technologies. Breaches of security could impact user satisfaction and confidence in its products, and some breaches, including cyber-attacks, could render the services and related products unavailable through a disrupted denial of service or other disruption. Unavailability of the Company's services could impact the Company's financial performance. Further, it could hinder the Company's ability to retain existing customers.</p>
<b>Technology</b>	<p>The Company's market involves rapidly evolving products and technological change. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products, services and technologies developed by others may render the Company's products and services obsolete or non-competitive.</p>
<b>Intellectual property</b>	<p>A substantial part of the Company's commercial success will depend on its ability to establish and protect the Company's intellectual property to maintain trade secret protection and operate without infringing the proprietary rights of third parties. The underlying technology on which the commercial value of the Company's intellectual property assets is dependent on the availability, scope and effectiveness of any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.</p> <p>Additionally, securing rights to (or developing) technologies complementing the Company's existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured, or that such technologies can be developed.</p>

RISK CATEGORY	RISK
<b>Government regulation</b>	<p>The Company is subject to federal and state laws and regulations that govern its business activities in the jurisdictions in which it operates, including in Italy. Government regulation and oversight of the digital economy is constantly evolving and may change in a manner that is unfavourable to the Company. While the Company is increasingly focusing attention on the development of internal compliance procedures, these may not be sufficiently sophisticated enough to ensure compliance with all relevant laws and regulations across all the jurisdictions it operates, including in Italy. Failure to comply with government regulations may affect the Company's ability to generate revenues from the sale of goods and services internationally, which could have a material adverse effect on the Company's business, financial condition and results of operations.</p>
<b>Regulatory</b>	<p>The Company is subject to continuing regulation, including quality regulations applicable to the manufacture and operation of its products and services. The Company has policies and procedures in place which are designed to ensure continuing compliance with applicable regulations for its existing products in the jurisdictions in which it operates. There can be no guarantee that the regulatory environment in which the Company operates may not change in the future which may impact on the Company's existing approvals and products.</p> <p>If the Company expands the application of its products and services in other jurisdictions, further regulatory approvals may be required to expand into these jurisdictions including but not limited to intellectual property protection, marking requirements and other product quality and safety standards specific to the applicable target jurisdiction. The Company may not be able to obtain the necessary approvals and clearances in a timely fashion or may not be able to obtain the necessary approvals and clearances at all.</p>
<b>Foreign agreements and operations</b>	<p>The Company's key business operations are located in Italy. Foreign agreements and foreign business operations are subject to a number of risks, including:</p> <ul style="list-style-type: none"> <li>(a) potential difficulties in enforcing the agreements through foreign local systems;</li> <li>(b) difficulties in enforcing Australian judgments in those jurisdictions; and</li> <li>(c) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.</li> </ul> <p>Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.</p> <p>Furthermore, because the Company's business operations are located outside of Australia, it may also be difficult to satisfy any award entered against the Company in Australia. Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders, than they would as shareholders of a company with assets in Australia.</p> <p>Potential risk to the Company's activities may occur if there are changes to the political, legal, and fiscal systems which might affect the ownership and operation of the Company's interests in Italy. This may also include changes in exchange control systems, changes in government and in legislative and</p>

RISK CATEGORY	RISK
	<p>regulatory regimes. Any of these factors may, in the future, also adversely affect the financial performance of the Company and the market price of its shares.</p> <p>No assurance can be given regarding future stability in Italy or any other country in which the Company may, in the future, have an interest.</p>

### 5.3 Industry specific

RISK CATEGORY	RISK
<b>Competition</b>	<p>While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.</p> <p>The size and financial strength of some of the Company's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, the Company's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.</p>
<b>Information technology</b>	<p>With any technical projects there are risks with the chosen technology, vendors and employees and in execution. Whilst the Company has employed and engaged subject-matter experts, employs experienced persons, standard security technologies and approaches there are risks that delivery will fail to meet expectations or deadlines, that technologies become obsolete, natural disasters occur, the Company is the subject of a fraud or malicious attack or platforms are compromised resulting in a negative impact on the Company's performance.</p>
<b>Loss of customers</b>	<p>The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.</p>
<b>Research and development</b>	<p>The Company can make no representation that any of its research into or development of its technologies will be successful, that the development milestones will be achieved, or that its technologies will be developed into products that are commercially exploitable.</p> <p>There are many risks inherent in the development of technology products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.</p>
<b>Scalability</b>	<p>Scalability is the key to any company that is looking at a potential global market. While the Company believes that the technologies, other products, software and its service architecture have been built for scalability, there are no guarantees that its products will be able to meet future demand and requirements of consumers.</p>

RISK CATEGORY	RISK
<b>Foreign exchange</b>	The Company will be operating in a variety of jurisdictions around the world, including in Italy, and as such, expects to generate revenue and incur costs and expenses in a number of foreign currencies. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

#### 5.4 General risks

RISK CATEGORY	RISK
<b>Economic</b>	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.
<b>Market conditions</b>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
<b>Competition risk</b>	The industry in which the Company will be involved is subject to competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
<b>Dividends</b>	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
<b>Taxation</b>	The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring New Options from a taxation viewpoint and generally.

RISK CATEGORY	RISK
	To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for New Options offered under this Prospectus.
<b>Reliance on Key Personnel</b>	The Company's future success depends on its continuing ability to retain and attract highly qualified and experienced personnel. Competition for such personnel can be intense and there can be no assurance that the Company will be able to attract and retain additional highly qualified personnel in the future. The ability to attract and retain necessary personnel could have a material adverse effect on the Company reputation and financial position.
<b>Human resources</b>	With an increase in labour demand, there is increased competition for quality personnel. The ability to attract and retain necessary personnel could have an adverse effect on the Company with the loss of technical knowledge.
<b>Economic conditions and other global or national issues</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

## 5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the New Options.

Existing and prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the New Options offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those New Options.

Before deciding whether to subscribe for New Options under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.



## **6. ADDITIONAL INFORMATION**

### **6.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **6.2 Continuous Disclosure Obligations**

As set out in the Important Notices Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
1 November 2024	\$1.6m AI Software Licenses Sale
31 October 2024	Quarterly Activities/Appendix 4C Cash Flow Report
29 October 2024	Notice of Annual General Meeting/Proxy Form
28 October 2024	Results of General Meeting
21 October 2024	Vection unveils AI platform with Dell
10 October 2024	\$3.6m XR Software Licences Distribution Agreement
10 October 2024	Notification of cessation of securities – VR1
7 October 2024	Annual General Meeting Key Dates
1 October 2024	Reinstatement to Quotation
1 October 2024	Suspension from Quotation
1 October 2024	Vection FY24 Results Presentation

DATE	DESCRIPTION OF ANNOUNCEMENT
1 October 2024	Annual Report to shareholders
1 October 2024	LR 4.3D Disclosure

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at [www.vection-technologies.com](http://www.vection-technologies.com).

### 6.3 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX.

The highest, lowest and last market sale prices of the Shares on the ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	DATE
Highest	\$0.022	1 and 2 August 2024
Lowest	\$0.007	9 October 2024
Last	\$0.017	31 October 2024

### 6.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

### Security Holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus and following completion of the Offers is set out in the table below:

DIRECTOR	SHARES	OPTIONS	PERFORMANCE RIGHTS
Gianmarco Biagi	338,556,186 <sup>1</sup>	Nil	4,000,000
Jacopo Merli	66,510,036 <sup>2</sup>	Nil	Nil



DIRECTOR	SHARES	OPTIONS	PERFORMANCE RIGHTS
Lorenzo Biagi	338,556,186 <sup>3</sup>	Nil	Nil
Gianmarco Orgnoni	6,000,000 <sup>4</sup>	Nil	3,000,000
Umberto (Bert) Mondello	5,500,000 <sup>5</sup>	Nil	2,000,000

**Notes:**

1. Shares held 50% with Mr Lorenzo Biagi and comprising 327,556,186 Shares held indirectly by Director-related entity Officine 8k Srl, 8,000,000 Shares held indirectly by Director-related entity Settepontonove Srl and 3,000,000 Shares held indirectly by Director-related entity VR Tech SRL.
2. Held directly by Mr Merli.
3. Shares held 50% with Mr Gianmarco Biagi and comprising 327,556,186 Shares held indirectly by Director-related entity Officine 8k Srl, 8,000,000 Shares held indirectly by Director-related entity Settepontonove Srl and 3,000,000 Shares held indirectly by Director-related entity VR Tech SRL.
4. Comprising 1,500,000 Shares held directly by Mr Orgnoni and 4,500,000 Shares held indirectly by Director-related entity Torg Advisors.
5. Held indirectly by Director-related entity Indomain Enterprises Pty Ltd.

**Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to the Directors for the previous two financial years, and the proposed remuneration for the current financial year.

DIRECTOR	FY ENDING 30 JUNE 2025 (PROPOSED)	FY ENDED 30 JUNE 2024	FY ENDED 30 JUNE 2023
Gianmarco Biagi	\$384,000 <sup>1</sup>	\$610,200 <sup>2</sup>	\$702,502 <sup>3</sup>
Jacopo Merli	\$252,278 <sup>4</sup>	\$499,400 <sup>5</sup>	\$252,478 <sup>6</sup>
Lorenzo Biagi	\$127,200 <sup>7</sup>	\$127,200 <sup>8</sup>	\$127,200 <sup>9</sup>
Gianmarco Orgnoni	\$72,000 <sup>10</sup>	\$385,650 <sup>11</sup>	\$465,376 <sup>12</sup>
Umberto (Bert) Mondello	\$72,000 <sup>13</sup>	\$185,100 <sup>14</sup>	\$249,251 <sup>15</sup>

**Notes:**

1. Comprising Director's fees of \$384,000.
2. Comprising Director's fees of \$384,000 and share-based payments of \$226,200.
3. Comprising Director's fees of \$348,000 and share-based payments of \$354,502.
4. Comprising Director's fees of \$252,278.
5. Comprising Director's fees of \$252,278 and a cash bonus of \$247,122.
6. Appointed 1 December 2022. Comprising Director's fees of \$132,643 and share-based payments of \$119,835.
7. Comprising Director's fees of \$127,200.
8. Comprising Director's fees of \$127,200.

9. Comprising Director's fees of \$127,200.
10. Comprising Director's fees of \$72,000.
11. Comprising Director's fees of \$216,000 and share-based payments of \$169,650.
12. Comprising Director's fees of \$199,500 and share-based payments of \$265,876.
13. Comprising Director's fees of \$72,000.
14. Comprising Director's fees of \$72,000 and share-based payments of \$113,100.
15. Comprising Director's fees of \$72,000 and share-based payments of \$177,251.

## 6.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in respect of the Prospectus. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$70,930.39 (excluding GST and disbursements) for legal services provided to the Company.

Evolution Capital Pty Ltd has acted as Lead Manager to the Placement. Refer to Section 2.3 of this Prospectus for the fees to be paid to the Lead Manager. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Lead Manager has received \$132,000 (excluding GST) in fees from the Company for its services in connection with the Placement and has not received any fees from the Company for any other services.

## 6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Evolution Capital Pty Ltd has given its written consent to being named as the Lead Manager to the Placement in this Prospectus. Evolution Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

#### **6.7 Estimated Expenses of the Offers**

The total expenses of the Offers are estimated to be approximately \$44,278 (excluding GST) and are expected to be applied towards the items set out in the table below:

ITEM	AMOUNT
ASIC fees	\$3,206
ASX fees	\$16,072
Legal fees	\$15,000
Share Registry fees, printing and distribution	\$10,000
<b>Total</b>	<b>\$44,278</b>

---

**7. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

---

## 8. GLOSSARY

**\$** means an Australian dollar.

**Applicant** means an investor that applies for New Options pursuant to the Placement Offer or Lead Manager Offer (as the case may be).

**Application Form** means the application form attached to or accompanying this Prospectus.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**AWST** means Australian Western Standard Time as observed in Perth, Western Australia.

**Board** means the board of Directors as constituted from time to time.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable in the Section 1 (unless extended or closed earlier).

**Company** means Vection Technologies Ltd (ACN 614 814 041).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**General Meeting** has the meaning given in Section 1.2.

**Lead Manager** means Evolution Capital Pty Ltd (ACN 652 397 263) (Corporate Authorised Representative (number 1293314) of Evolution Capital Securities (ACN 669 773 979), being the holder of AFSL 551 094).

**Lead Manager Offer** means the offer of New Options to the Lead Manager as set out in Section 2.2.

**New Option** means an Option issued on the terms set out in Section 4.1.

**Offers** means the Placement Offer and Broker Options Offer the subject of this Prospectus and **Offer** means either of them (as the context requires).

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Opening Date** means the opening date of the Offer as set out in the indicative timetable in Section 1.

**Option** means an option to acquire a Share, including where the context requires, New Options.

**Optionholder** means a holder of an Option.

**Placement** has the meaning given in Section 1.2.

**Placement Offer** means the offer of New Options as set out in Section 2.1.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

**Securities** means Shares, Options and/or performance rights as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.