



1H FY24 Results

29 February 2024

Agenda

1H FY24 Results



- 1. Vection Overview**
- 2. Results Overview**
- 3. Financials**
- 4. Strategy & Outlook**



Overview

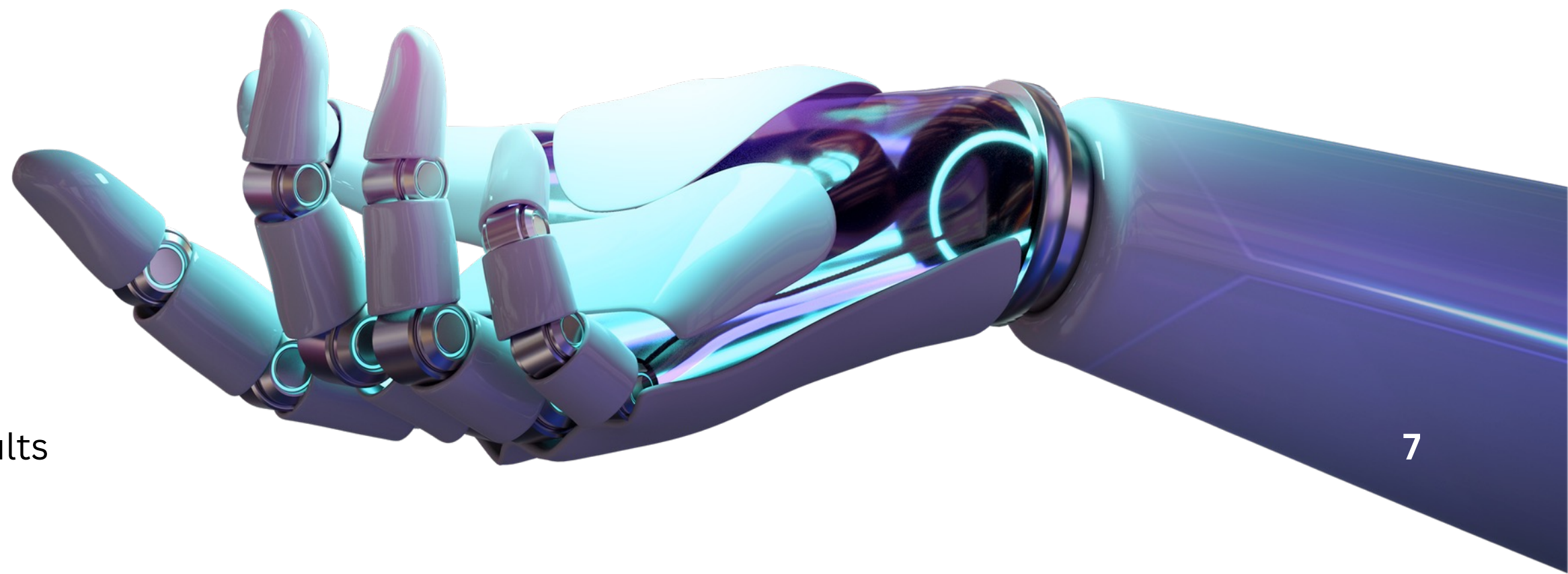


What we do



Our solutions and services facilitate the **evolution of businesses from 2D to 3D**, crafting experiences that integrate the digital and physical worlds.

Our goal is to deliver **time and cost savings, mitigate risks,** and empower our clients with **actionable data.**





1H FY24 Results Overview



Business Highlights

- The Company has demonstrated its ability to grow its revenue base by expanding and securing customer contracts. This has led to a 38% 1H FY24 revenue increase PcP.
- The Company expects to deliver a significant revenue uplift in 2H FY24. By comparison, in FY23, Vection recorded a 217% revenue increase of 2H/1H.
- 1H FY24 EBITDA was unchanged compared to 1H FY23. In 2H FY24, the Company expects to improve its underlying results as it focuses on generating positive earnings and cashflows.
- Substantial new contracts have been executed in February 2024, valued at \$5.9m in TCV.



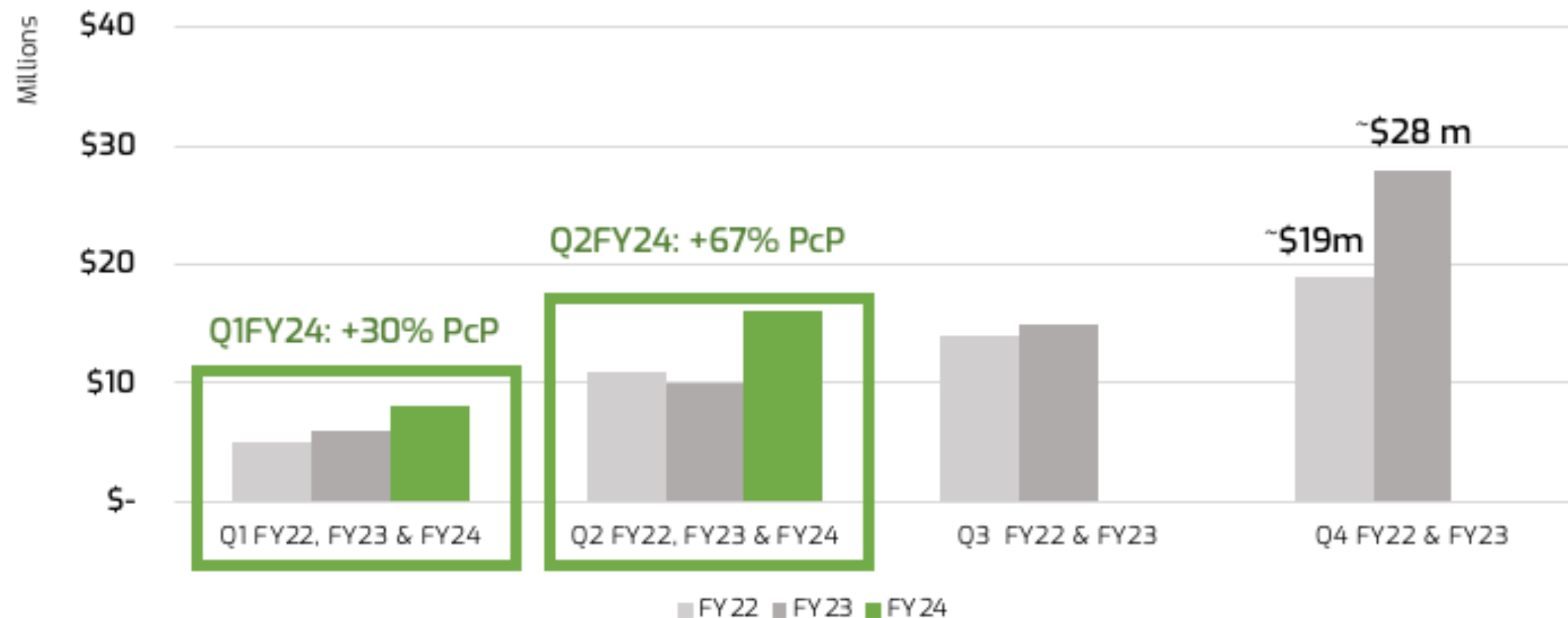
Business Highlights



- Focus on market expansion and client relationship efforts across 9 industrial sectors.
- Vection anticipates positive outcomes from the interest generated in the Saudi Arabian market, leading to further contracts in the area.
- Vection's pivotal projects in the Healthcare sector demonstrate its ability to provide scalable and complex solutions.
- Vection enhanced its defence-focused operations with strategic initiatives such as the Lunar City project.
- Integrating Virtual Reality, Cloud, Data Security, and Artificial Intelligence technologies has improved user experiences and opened new avenues for business growth.
- A focused approach towards market expansion, client relationships, and technological innovation will be critical for Vection's continued growth in the second half.

Business Highlights (TCV)

TCV by Quarter (FY22, FY23, FY24)

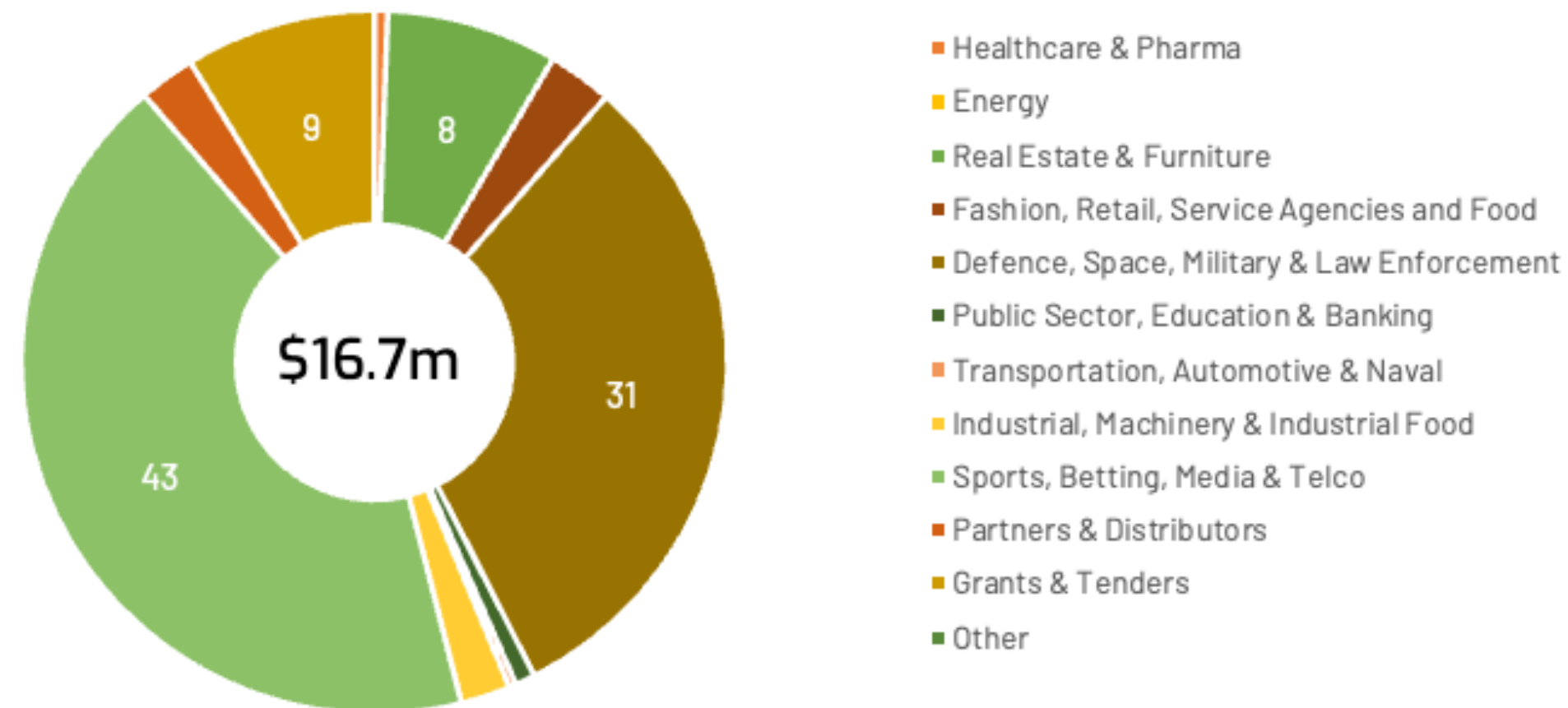


- Total Contract Value (“TCV”) for the first half grew to \$16.7m, up 67% PcP

Business Highlights (TCV)



TCV by Market Segment (31/12/2023) in %:



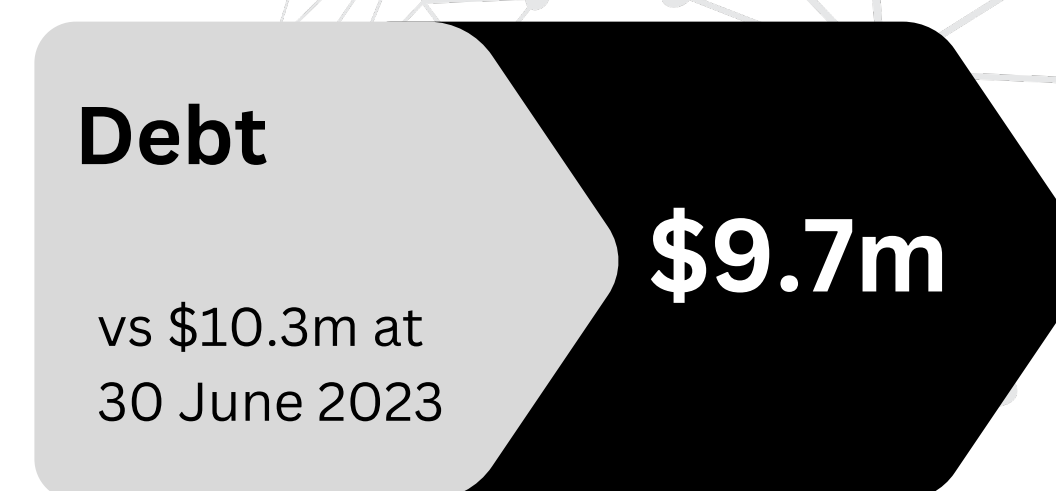
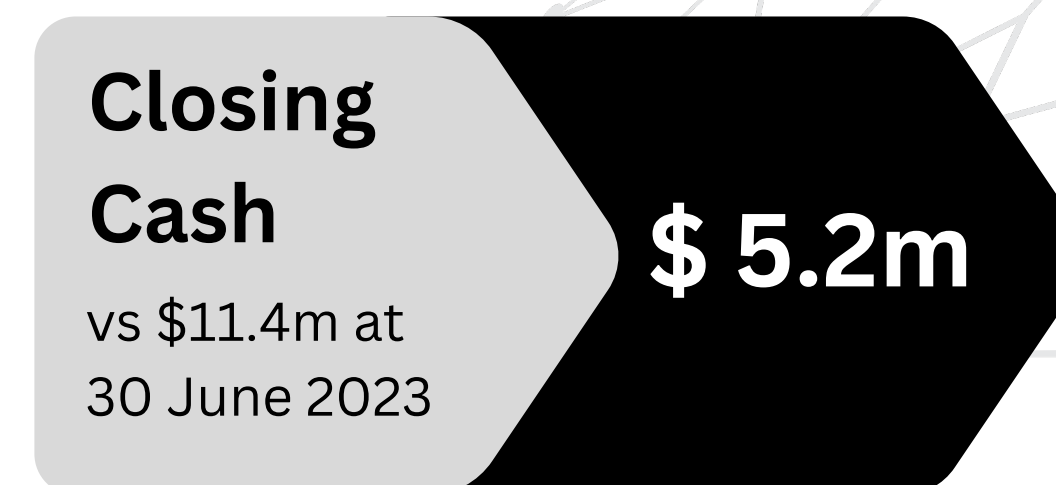
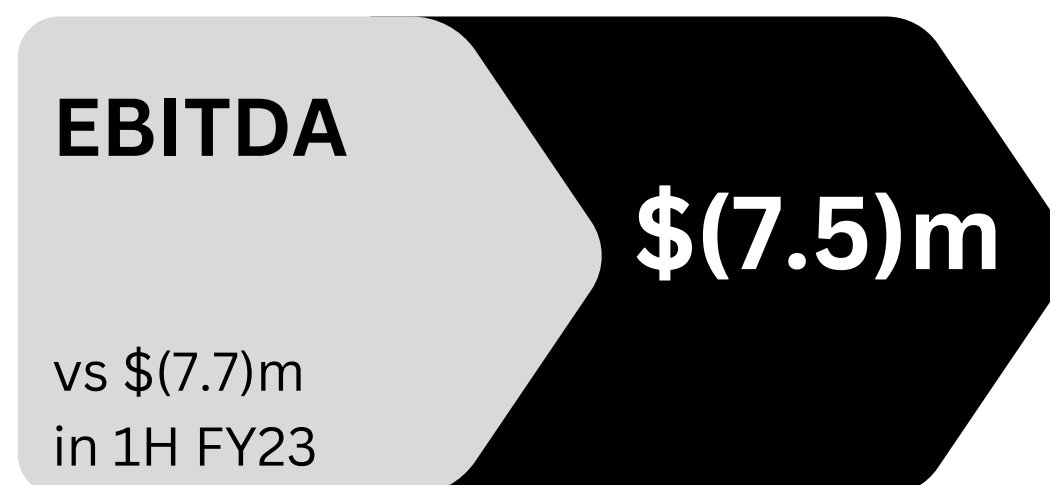
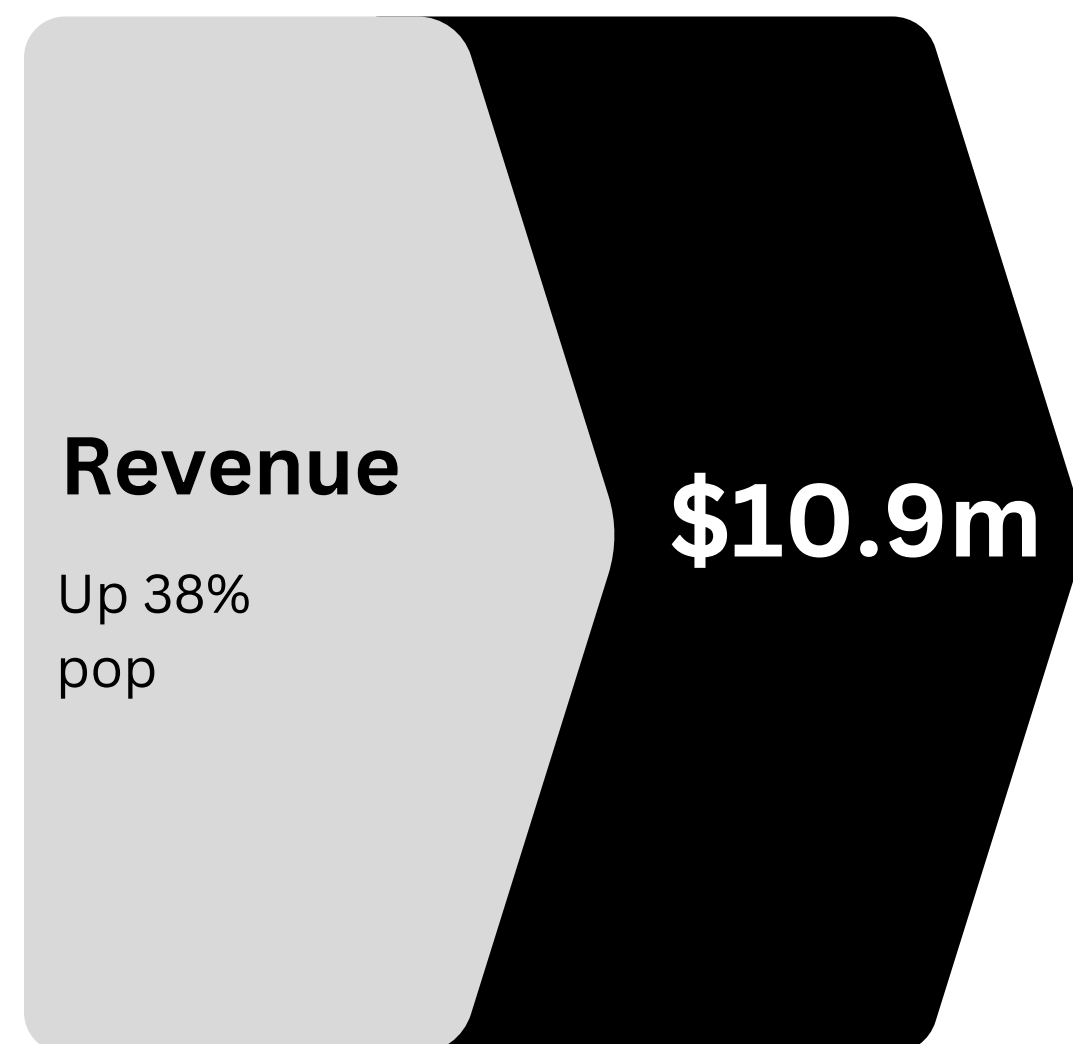
- The Sports, Betting, Media & Telco sector grew to approximately 43% of the TCV.
- Defence, Space, Military & Law Enforcement, the next largest sector, was 31%.
- Followed by Real Estate & Furniture at 8%.
- The fashion, Retail, Service Agencies, and Food sector constitute 3% of the TCV.
- Partners & Distributors also contributing 3%.



Financials



1H FY24 Financial Highlights



1H FY24 Financial Highlights



	1H FY24 \$'000	1H FY23 \$'000	Variance %
Revenue	10,929	7,912	38%
Other Revenue	555	393	41%
Total Revenue	11,484	8,305	38%
Expenses	(20,534)	(16,390)	25%
Net Loss before tax	(9,050)	(8,085)	12%
Depreciation & Amortisation	1,137	545	109%
Net finance expenses	434	(143)	-403%
EBITDA	(7,479)	(7,683)	-3%
FX & Share based payment expenses	394	1,323	-70%
Impairment of assets	2,859	3,526	-19%
Underlying EBITDA	(4,226)	(2,834)	49%

- Revenue up 38% compared to 1H FY23.
- EBITDA aligned with 1H FY23.
- Impairment loss of \$2.8m recognised during the half.
- Underlying EBITDA excludes the impact of FX, share based payments and goodwill impairment.

1H FY24 Financial Highlights



	31-Dec-23 \$'000	30-Jun-23 \$'000	Variance %
Cash	5,192	11,359	-54%
Trade & other receivables	11,503	13,648	-16%
Inventories	1,103	676	63%
Current Assets	17,798	25,683	-31%
PPE	1,179	550	114%
Right-of-use assets	227	322	-30%
Intangible Assets	20,813	15,463	35%
Financial Assets	64	84	-24%
Non-current assets	22,283	16,419	36%
Total assets	40,081	42,102	-5%
Trade & other payables	11,205	10,969	2%
Other current liabilities			
Current Liabilities	19,801	19,382	2%
Non-current liabilities	9,326	3,529	164%
Total liabilities	29,127	22,911	27%
Net assets	10,954	19,191	-43%

- Closing cash balance of \$5.2m at 31 Dec 23 and net assets of \$10.9m.
- Intangible Assets of \$20.8m, include Goodwill of \$8.3m, Intellectual Property of \$0.9m, Patents and Licences of \$2.1m, and software of \$9.4m.

1H FY24 Financial Highlights



	1H FY24 \$'000	1H FY23 \$'000
Net cash from (used) in operating activities	(3,738)	(970)
Net cash used in investing activities	(1,861)	(9,160)
Net cash flow used in financing activities	(655)	(228)
Net cash movement	(6,254)	(10,358)
Cash at the beginning of the half- year	11,359	14,869
Effects of exchange rate	87	646
Cash at the end of the period	5,192	5,157

- Closing cash balance of \$5.2m at 31 Dec 23.
- Net cash from operating activities of \$5.2m.
- Debt of \$0.7m repaid during the period.
- Net cash used in investing activities includes capitalised development costs and capex.



Strategy & Outlook

2H FY24 Outlook



- 2H FY24 Revenue growth expected to grow substantially. By comparison, in FY23, Vection recorded a 217% revenue increase of 2H/1H.
- Focus on profitability and cash generation during the remainder of FY24, supported by contract pipeline and customer acquisitions.

Growing TCV:

- Substantial new contracts have been executed in February 2024, valued at \$5.9m in TCV.

Disclaimer



This presentation has been prepared by Vection Technologies Limited (ACN 614 814 041) (**Vection Technologies** or the **Company**) and is for information purposes only. It does not constitute financial product or investment advice or a recommendation to acquire Vection Technologies shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Vection Technologies is not licensed to provide financial product advice in respect of Vection Technologies shares.

Vection Technologies, its subsidiaries and their respective logos, are trademarks or registered trademarks of Vection Technologies, or its subsidiaries. All other registered or unregistered trademarks mentioned in this presentation are the property of their respective owners, and no trademark rights to the same are claimed.

Financial Data - All dollar values are in AUD dollars (AUD or \$) and are unaudited (unless otherwise presented). **ASX Release** authorised by the Board of Directors of Vection Technologies Ltd.

Future performance - Forward looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. An investment in Vection Technologies shares is subject to investment and other known and unknown risks, some of which are beyond the control of Vection Technologies.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Vection Technologies employees, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

