

17 January 2025 Australia

ASX RELEASE

SETTLEMENT OF GENERATIVE AI COMPANY ACQUISITION

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), ("Vection" or the "Company"), the INTEGRATEDXR[®] company, is pleased to announce the successful settlement of its acquisition of The Digital Box S.p.A. ("TDB"), disclosed initially on 29 August 2024. This milestone further advances Vection's mission to seamlessly integrate artificial intelligence ("AI") and extended reality ("XR") technologies for enterprise customers worldwide.

HIGHLIGHTS:

- Vection finalises the acquisition of TDB, acquiring 100% of its issued share capital.
- TDB's 3D generative AI technology integrates into Vection's ecosystem, enabling advanced cross-sell opportunities and accelerating revenue growth.
- Refer to the Company's announcement "*Generative AI Company Acquisition Presentation*" of 29 August 2024 for full details of TDB's capabilities.
- TDB reported FY24 revenue of \$10 million and EBITDA of \$1 million, reinforcing anticipated value accretion for Vection's shareholders.
- TDB's AI capabilities have contributed to multiple Vection-led deals before settlement, demonstrating immediate commercial momentum.

OVERVIEW:

Vection announced its intention to acquire TDB, a generative AI company specialising in natural language processing and 3D digital humans, in August 2024. Even before the deal settled, TDB's technology drove significant commercial traction within Vection's ecosystem:

- 21 October 2024: Vection partners with Dell to launch the 'Algho' AI platform, securing a ~\$0.5 million sale.
- 1 November 2024: \$1.6 million AI software licensing contract for the Brexia Med healthcare project.
- 15 November 2024: \$0.5 million AI Dell Algho Appliance sale, supporting a global railway solutions provider with AI-driven maintenance processes.
- 20 November 2024: \$0.7 million agreement with KIOSK Embedded Systems, integrating Vection's Algho AI Avatar technology into kiosk designs.
- 17 December 2024: Massachusetts General Hospital commences full-scale pilot trials of TDB's 'Algho AI' platform, with potential for extensive deployment across its facilities.
- 20 December 2024: 3-year, \$1.6 million distribution agreement with SolidWorld Group, targeting over 10,000 EMEA-based customers.

These achievements underscore the value of TDB's generative AI in conjunction with Vection's growing AI and XR offerings.

Following settlement, Vection will integrate TDB's team and technology across its global operations. This integration will create a broader range of cross-selling opportunities, strengthen Vection's market position, and drive EBITDA growth.

Gianmarco Biagi, Vection's Managing Director, said, "*We are thrilled to finalise the acquisition of TDB. The commercial success delivered by TDB before settlement underpins the transformative power of AI when merged with our XR solutions. We look forward to scaling this momentum and delivering compelling, next-generation experiences to our customers worldwide.*"

■ **VECTION TECHNOLOGIES LTD**

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

■ **GLOBAL OFFICES**

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

KEY TERMS & NEXT STEPS:

- Consideration: As previously disclosed, Vection settled an initial enterprise value of ~\$12 million by issuing approximately 143 million new Vection shares (valued at ~\$5.8 million). Up to 52 million further shares may be issued subject to TDB meeting agreed sales, EBITDA, and balance sheet objectives one year post-acquisition.
- Integration: Vection will incorporate TDB's workforce and technology into its global organisation, enabling customers to benefit immediately from new AI-driven capabilities.

For more information on TDB's AI capabilities, please visit www.quest-it.com/en

AUTHORISATION:

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

ENDS

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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.

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

FORWARD-LOOKING STATEMENTS:

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Vection Technologies' current expectations, estimates and projections about the industry in which Vection Technologies operates, and beliefs and assumptions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, guidance, or outlook on future earnings, distributions, financial position, or performance are also forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of Vection Technologies, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Vection Technologies only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

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The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Vection Technologies has no obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

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