

23 June 2025 Australia

ASX RELEASE
VECTION SIGNS \$2.6m AI AGREEMENT

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), ("Vection" or the "Company"), the INTEGRATEDXR[®] company, is pleased to announce the signing of a \$2.6m agreement with Area12 Consulting. This collaboration aims to co-develop and implement an AI-driven safety compliance platform named SAFE-XR, tailored for a prominent industrial client in Italy

This marks the second strategic partnership between Vection and Area12 Consulting, building on the recently announced \$0.5m annual Algho software agreement (ASX: 12 May 2025). This expanding collaboration reflects robust partner confidence in Vection's AI capabilities and the scalability of its B2B2C enterprise model.

HIGHLIGHTS:

- Vection secures a \$2.6m agreement to deliver an AI & XR compliance platform for industrial safety inspections.
- Marks a second agreement with Area12 Consulting, expanding on the \$0.5m annual Algho license deal (ASX: 12 May 2025).
- Algho AI powers real-time voice interaction, regulation parsing, and contextual support through smart glasses.
- Smart glasses enable hands-free inspections with AR overlays, guided checklists, and remote expert collaboration.
- Includes a perpetual Algho license, 3-year support, and delivery of custom software and hardware.
- Strengthens Vection's position in AI-driven compliance and industrial automation amid rising global regulation.

OVERVIEW

SAFE- XR is a custom solution designed to digitise industrial safety inspections, leveraging artificial intelligence ("AI"), augmented reality ("AR"), and wearable technology. This project highlights Vection's capacity to scale AI implementations through reliable channel partners.

The system integrates smart glasses with real-time voice interaction powered by Algho's AI platform, allowing operators to execute audits hands-free. Users benefit from contextual guidance through natural language prompts and AR overlays, which streamline inspection processes and enhance accuracy. Algho's emotional intelligence adapts support based on user behaviour and environmental context.

Field teams can access interactive checklists, regulatory materials, and remote collaboration tools right within their line of sight, simplifying compliance workflows and minimising the necessity for expert on-site presence. A perpetual license for Algho, combined with a three-year technical support commitment, provides lasting value to the client.

This second agreement with Area 12 Consulting expands upon an existing \$0.5m annual recurring license partnership, broadening the collaboration from platform licensing to complete deployment in safety-critical operations. SAFE-XR strengthens Vection's position in AI-driven automation within regulated sectors.

Revenue from the \$2.6m agreement will be recognised in phased milestones throughout FY26. The project offers a three-year support and maintenance term, marking the initial contractual period. After this three-year phase, the agreement may be renewed on an annual basis. Either party may terminate the agreement by providing three months' written notice, effective at the end of the third year or any subsequent renewal term.

Gianmarco Biagi, Managing Director of Vection Technologies, commented: *"This second agreement with Area12 Consulting signifies the evolution of a strong strategic partnership. SAFE-XR fulfils the potential of AI and XR to revolutionise industrial safety management, making it more intelligent, efficient, and humane."*

VECTION TECHNOLOGIES LTD

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

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MATERIALITY THRESHOLD:

This announcement is deemed material by the Board as it exceeds the Company's Announcement Materiality Threshold. The Announcement Materiality Threshold is for individual or multiple contracts cumulatively equating to more than \$500k in Revenue.

AUTHORISATION:

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

ENDS**INVESTOR RELATIONS CONTACT DETAILS:**

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ABOUT VECTION TECHNOLOGIES:

Vection Technologies is a growing enterprise-focused company that helps businesses bridge the physical and digital worlds. We help organisations leverage their 3D data via powerful extended reality (XR) interfaces that foster collaboration and learning, grow sales and more.

Vection Technologies is listed on the Australian Securities Exchange (ASX) with ticker code VR1, and trades on the U.S. over-the-counter (OTC) markets under the symbol VCTNY.

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

FORWARD-LOOKING STATEMENTS:

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

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