

8 August 2025 Australia

**ASX RELEASE**

## Vection Defence focus AI presentation - August 2025

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

The presentation provides:

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

**AUTHORISATION:**

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

**ENDS**

**INVESTOR RELATIONS CONTACT DETAILS:**

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**ABOUT VECTION TECHNOLOGIES:**

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

Vection Technologies is listed on the Australian Securities Exchange (ASX) with ticker code VR1, and trades on the U.S. over-the-counter (OTC) markets under the symbol VCTNY and is also listed on Germany's Frankfurt Stock Exchange under the ticker S1X.

For more information, please visit: [www.vection-technologies.com](http://www.vection-technologies.com)

■ **VECTION TECHNOLOGIES LTD**

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

■ **GLOBAL OFFICES**

■ PERTH | SYDNEY | SAN FRANCISCO | MILAN | BOLOGNA | ROME | BARI | ABU DHABI | AHMEDABAD

■ **WEBSITE**

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# Solving real-world business challenges in the digital world

August 2025

# Executive Summary

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

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

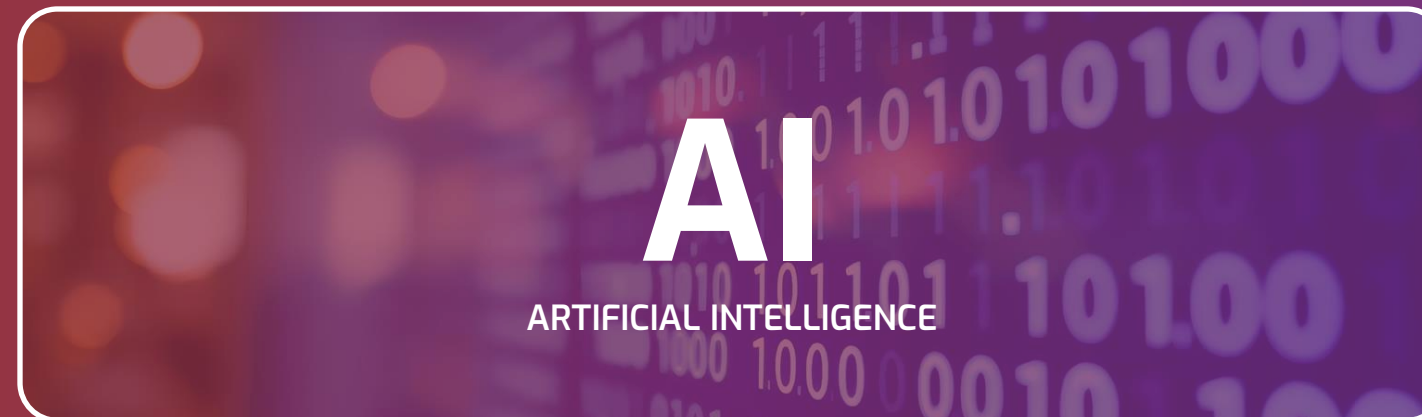


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# Company Value Proposition

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## CAPABILITIES



**AI**  
ARTIFICIAL INTELLIGENCE



**SC**  
SPACIAL COMPUTING

## TAM<sup>1</sup>

\$1.07 Tn in 2030 (CAGR 22%)

\$827 Bn in 2030 (CAGR 28%)

## FINANCIALS

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

SaaS Products/Support  
*Proprietary (Annual Recurring)*

Services/Installation  
*Proprietary (One-Off)*

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

34% of Revenue | 75% Gross Margins

38% of Revenue | 50% Gross Margins

28% of Revenue | 20% Gross Margins

## PIPELINE

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

## CORPORATE

Market Capitalisation \$70m

Consistent history of diversified revenue growth

Long standing, highly experienced Management

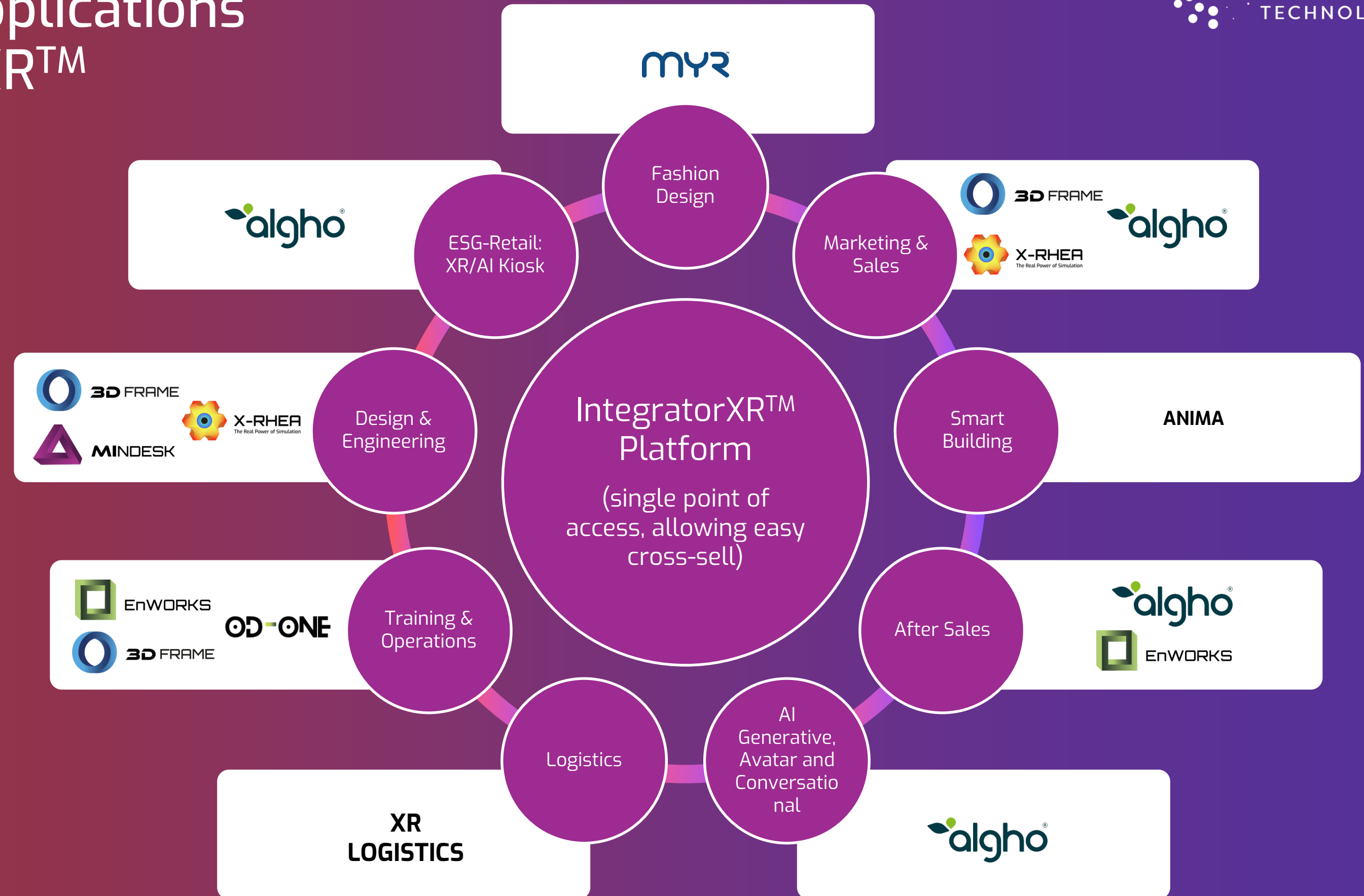
Unsecured debt, ~5 year term, low interest, with no covenants

Experienced and connected Board of Directors

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

# Proprietary Applications on IntegratorXR™

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# The Defence Sectors Solution - AI and Immersive Technology



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## Focus Industries

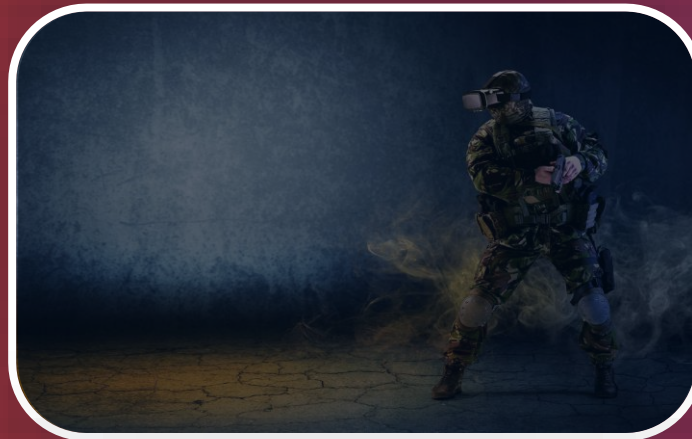
Defence



### Engineering & Maintenance

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

Aerospace, Military



### VR & AR Training Simulations

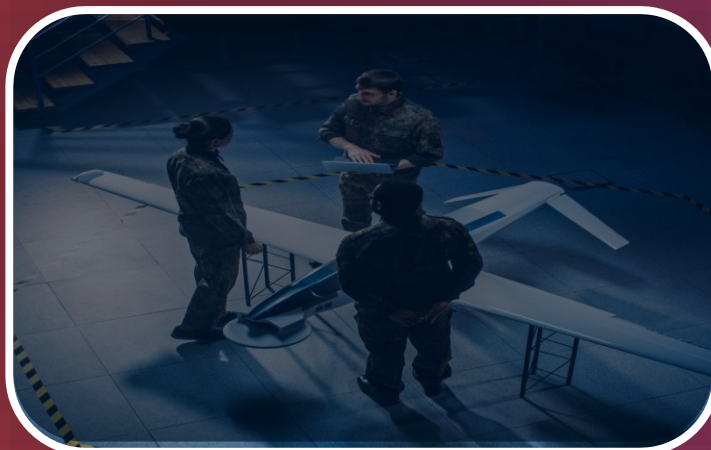
- VR and AR for training in defence, military and law enforcement. These technologies provide realistic simulations of a variety of scenarios, such as combat and hostage situations, with the goal of helping personnel prepare for real-life eventualities.
- XR technologies accelerate up to 70% the learning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

Law Enforcement

Industrial

Manufacturing

Transportation



### Situational Awareness & Intelligence Gathering

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

# Defence Sector Case Studies

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

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

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



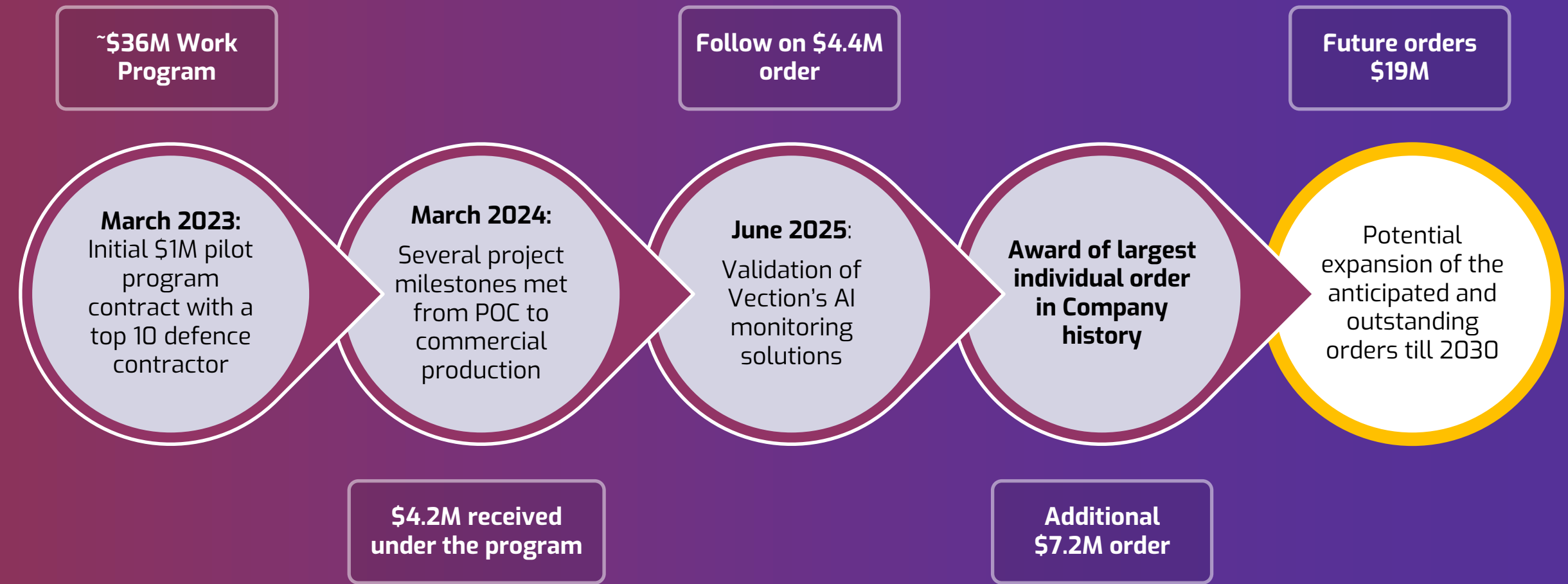
**Client:** The number 1 contractor in EU (top 15 globally) and NATO Tempest vendor.

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

**Solution:**  
AI Technology (powered by NVIDIA GPU) 

Digital-transformation initiatives for multi-domain defence operation.

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



# Defence Sector Case Studies



**Largest Individual Contract Win of \$7.2M**

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



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

**Problem:** Supporting Real-Time Operational Decision

**Solution:**

AI Technology (powered by NVIDIA GPU)

**Hardware:** AI Capable Edge Datacenter.

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

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

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



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

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

**Solution:**

AI Technology (powered by NVIDIA GPU)

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

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

# General Case Studies – Rich product applications & IP



**Client:** Global food & beverage conglomerate

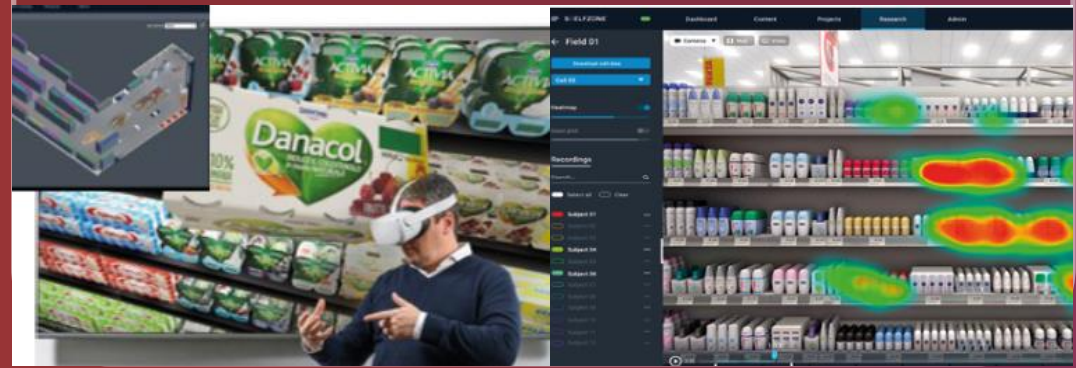
**Problem:** Physical showrooms are an expensive way to test and optimise new products and their placement within retailers.

**Solution:** Spatial Computing & VR hardware



Creation of complete VR retail store

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



**Client:** European Insurance Conglomerate

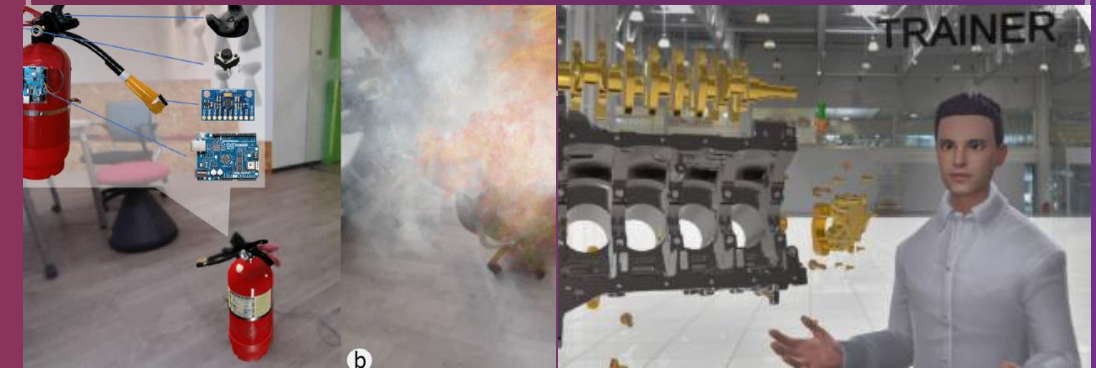
**Problem:** Lack of disaster scenario training for clients

**Solution:** Spatial Computing & VR/AR hardware



Creation of VR disaster scenario training environment

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



**Client:** Australian property group

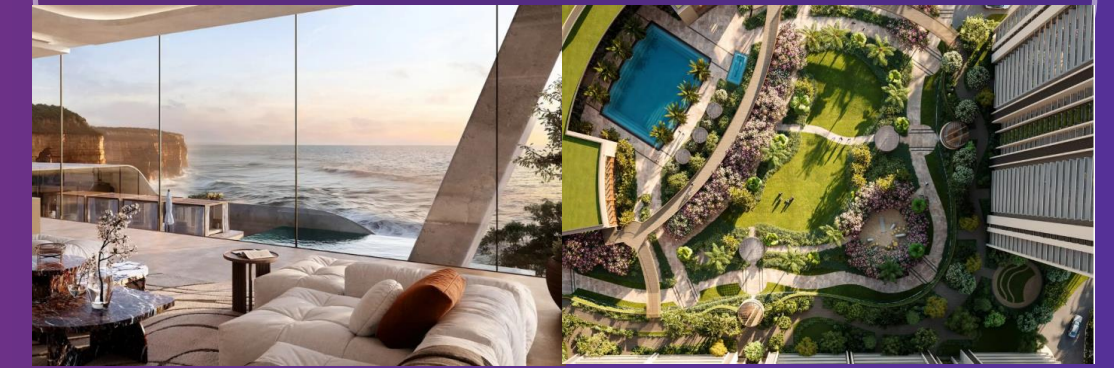
**Problem:** Selling off-the plan property to international investors (\$2bn Sydney development).

**Solution:** Spatial Computing & VR hardware



Creation of high-resolution VR walk through of property assets

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



# Global Customer Ecosystem – Sector Agnostic

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EDGE



NATUZZI



FERRERO



MBDA



NTT DATA

Bedshed



# Powerful Integrations & Partnerships

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## Software integrations



ChatGPT



webex  
by CISCO

## Hardware integrations



Apple Vision Pro

Meta Quest 3



NTT DATA



LUTECH

## Partnerships & Resellers



accenture

Microsoft

xerox™

# Competitive Landscape & Advantage in

## Main Competitors



## The Vection Advantage

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

## IP & Certifications

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



- 29 global patents and 4 ISO certificates



## Partnerships



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# Building Momentum Through FY25 & Beyond



**H2 OPERATING  
CASH FLOW**

**~\$4m**

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



**FY 2025  
Revenue**

**~\$38m**

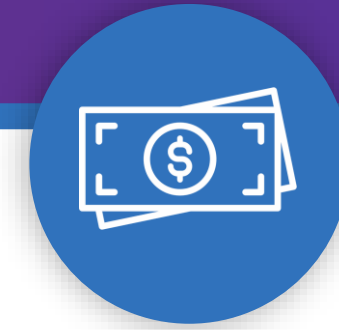
Growth 12% pcp  
New FY is supported by a strong pipeline of ~\$50M



**Recurring  
Revenue**

**35%**

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



**Positive  
Underlying  
EBITDA for FY25**

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

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\*All figures remain unaudited

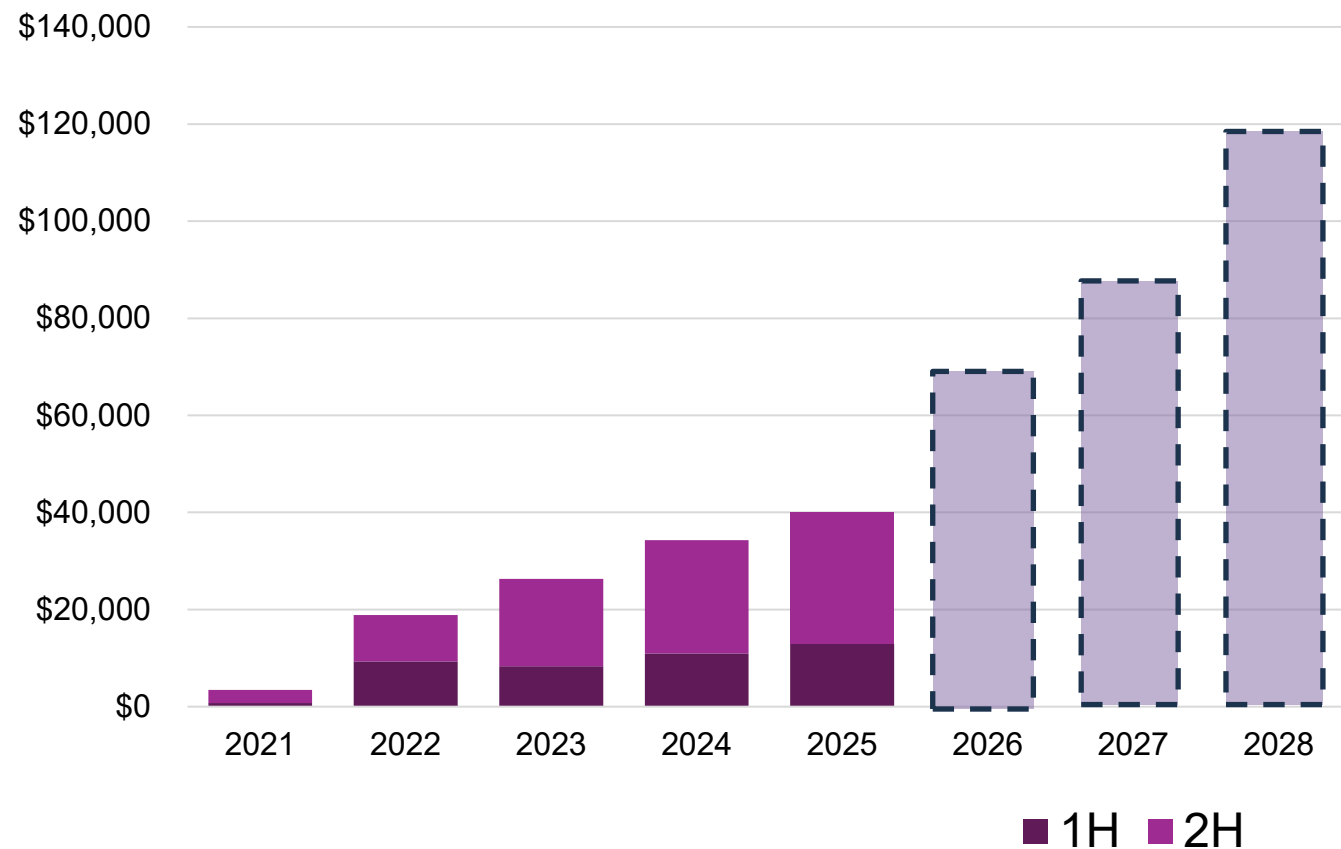
\*Using the average semiannual exchange rate of 1.75 eu/aud

# Historical & Future Financial Performance

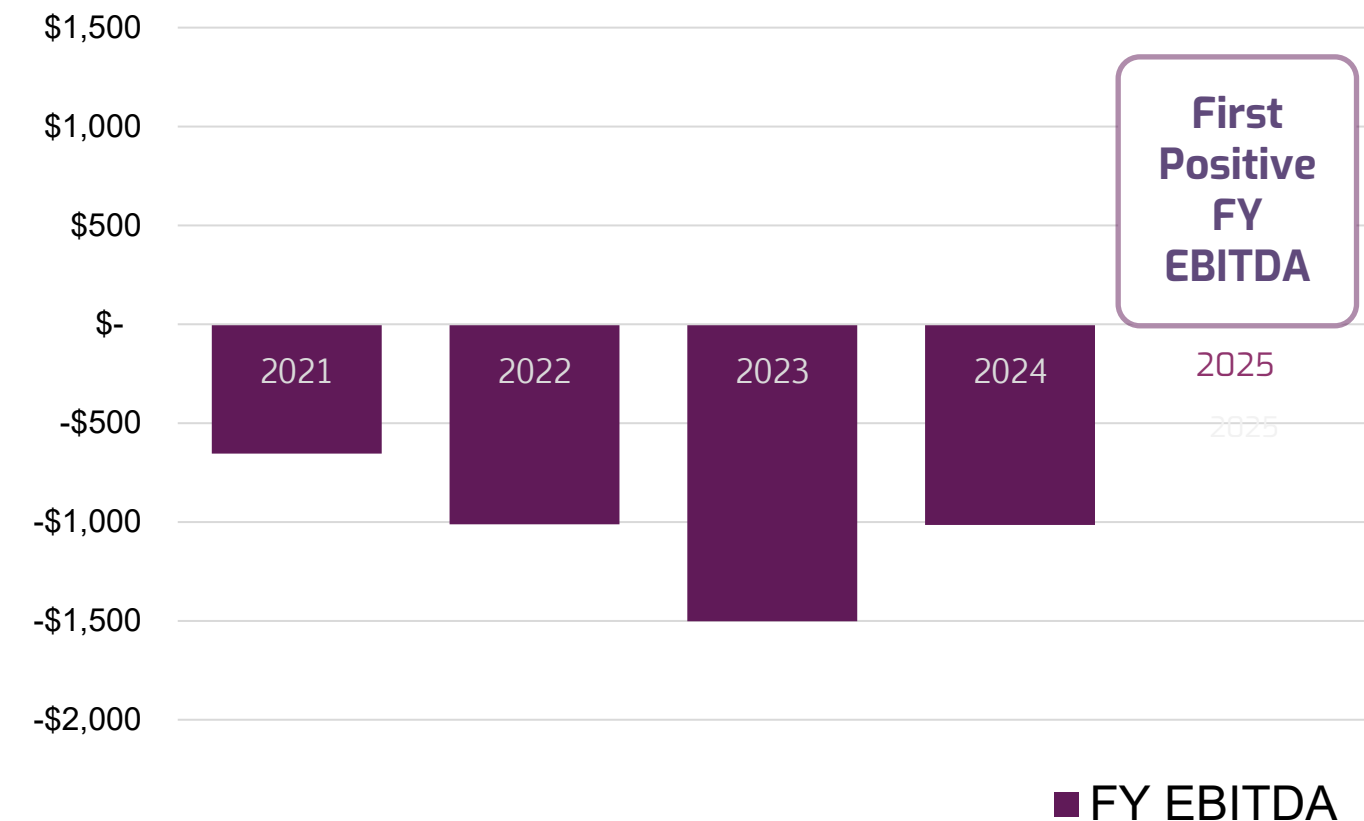
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Revenues (\$ '000)

2026 – 2028 Aspirational Target<sup>1</sup>



EBITDA Underlying<sup>2</sup> (\$ '000)



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

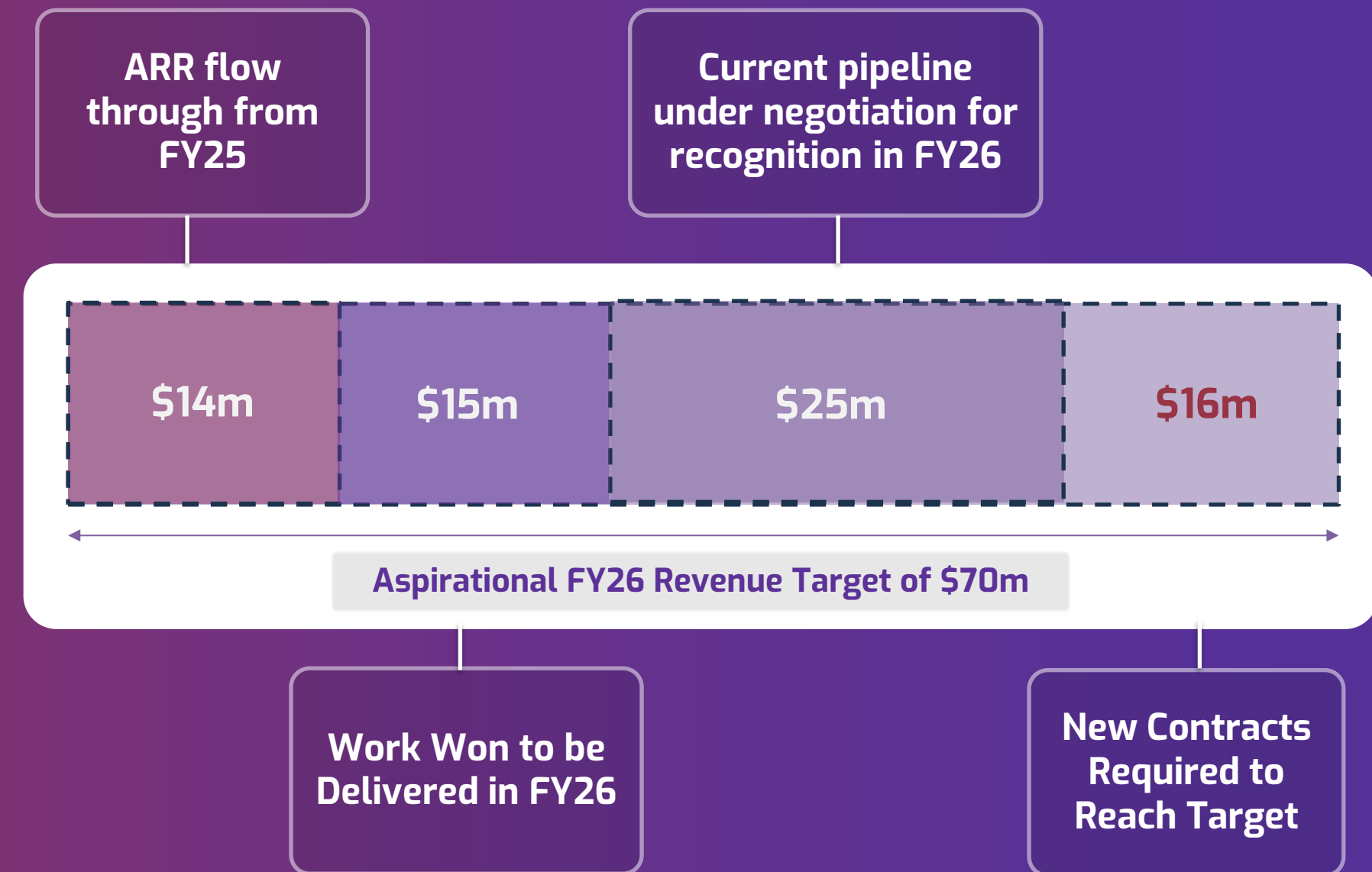
- **Operating Leverage:** Stable fixed cost base following a rationalization program, which has produced 2 consecutive quarters of net positive operating cashflow (improved from loss of \$1.2m pcp)
- **Margin Expansion:** Gross Profit Margin for FY25 is tracking to 35-40%
- **Strong CAGR:** 5-year revenue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

<sup>1</sup> The 2026 – 2028 Aspirational Targets are based on a number of assumptions and are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially  
<sup>2</sup> pro forma, unaudited, adjusted for one off M&A costs, share based payments & impairment costs

# Sales Pipeline and Revenue Pathway Forward

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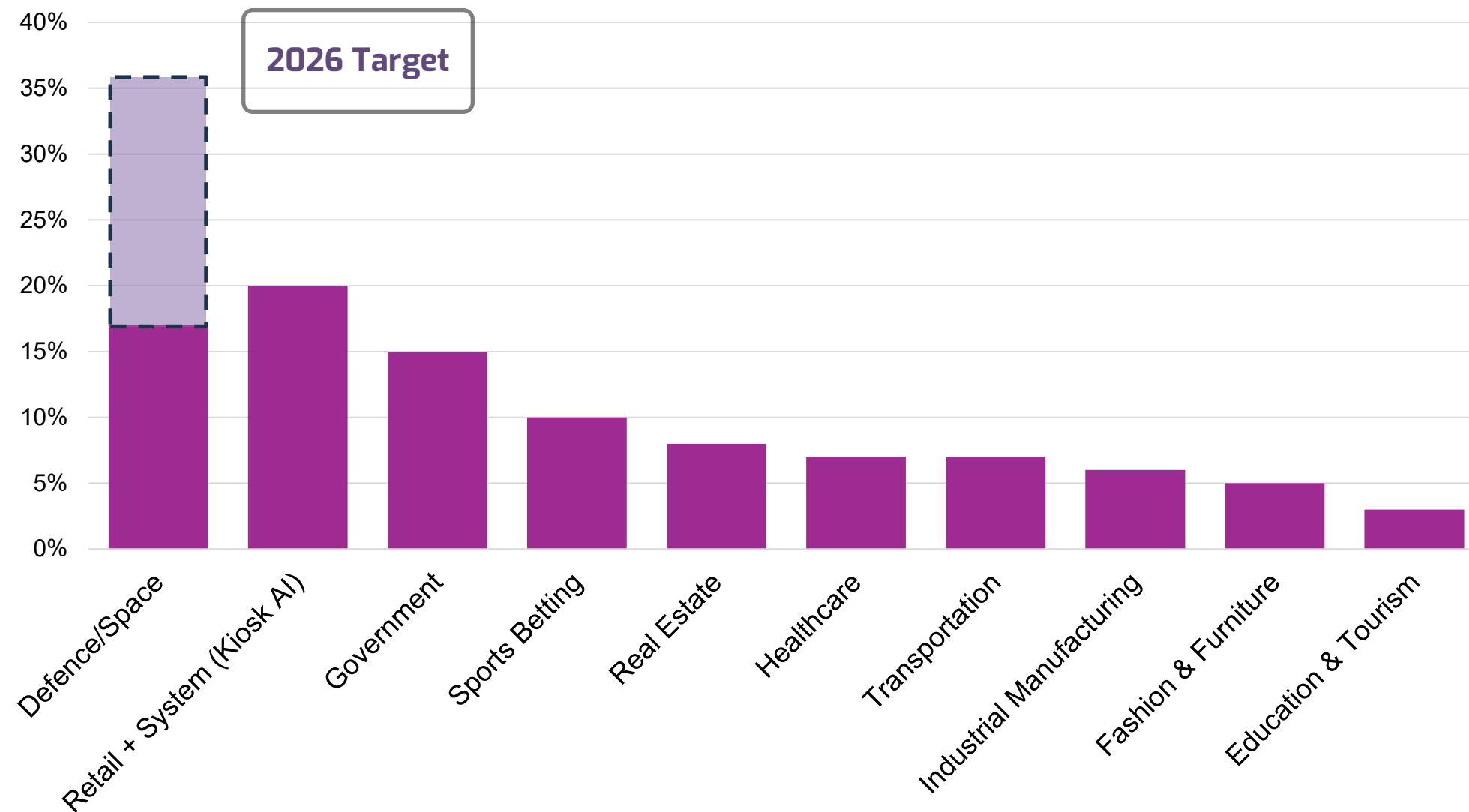
- Several new and existing clients under negotiation and pilot programs.
- **Pipeline conversion rates have increased from 30 – 45% to 50 – 65%.**
- Vection has already won \$15m in work to be delivered for FY26. Vection's recent sales momentum is expected to drive the expansion of the sales pipeline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



# Diversified Business with an Emphasis on Defence

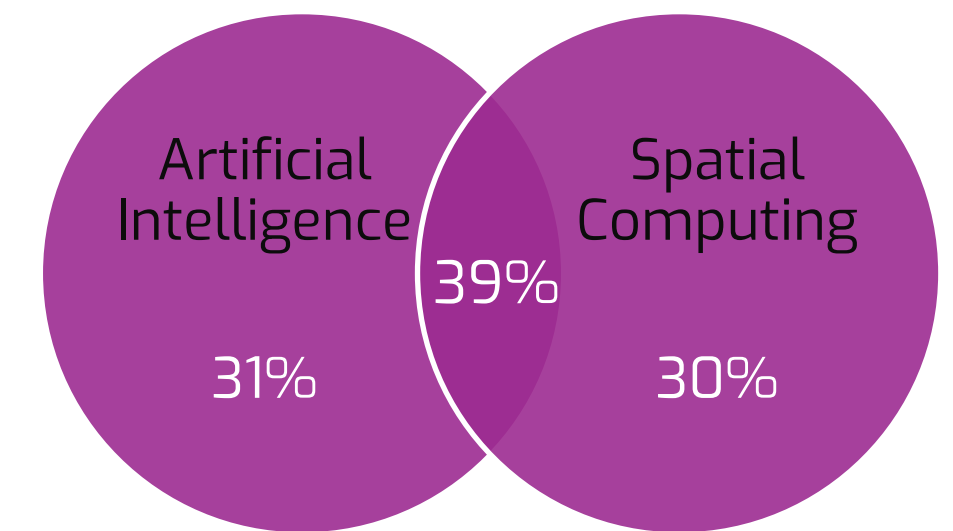
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Revenue by industry as at H1 2025

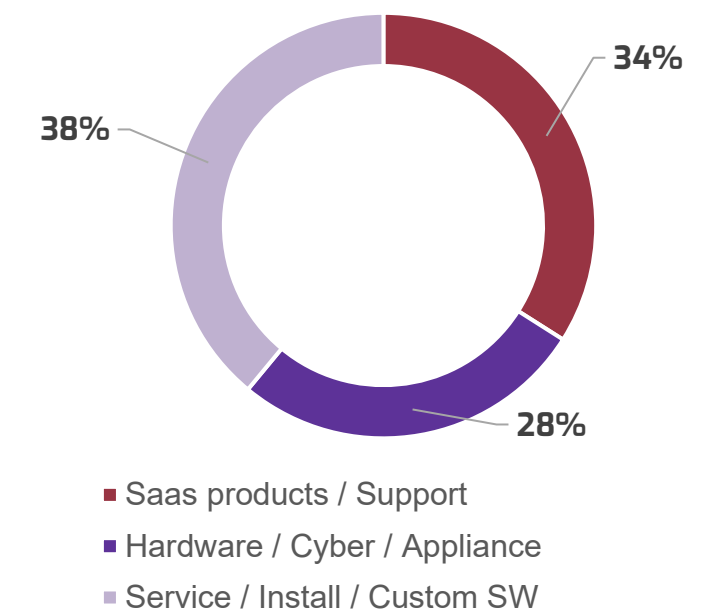


Rapid expansion in the sector has been demonstrated with several recent, material contract wins. As a result, Vection anticipates defence to represent the largest portion of near-term revenue results as Vection strategically positions itself as the leading software service provider in the sector.

Revenue composition



\*As at Half Year FY25



# A History of Success in the Defence Sector

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**THALES**

## Aerospace Alliance

VR to promote space travel and inspire future generations as NASA's Artemis Program advances  
 • August 2024

## \$10M from Pilot

Cumulative revenue from the pilot reaches ~\$10m  
 • August 2025

## TCV reaches \$15M

, military & law enforcement contract wins drive TCV to record highs  
 • May 2022 – 36% of Revenue

## First Contracts

Milestone wins across sub-sectors  
 • Law enforcement 2021  
 • Mission critical equipment 2011  
 • Cyber alliances 2008

## \$30M Tender

Pilot program with a top ten largest defence contractor in the world  
 • March 2023 - Provision of mission critical ICT infrastructure for NATO members.

## Successful Pilot

12 months post pilot award, \$4.2m is received  
 • March 2024

## \$7M Contract

Largest individual contract win for the entire Company  
 • July 2025

~\$35M Defence Pipeline  
 (18 months)

# Four Pilot Programs Supporting a Robust Pipeline

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

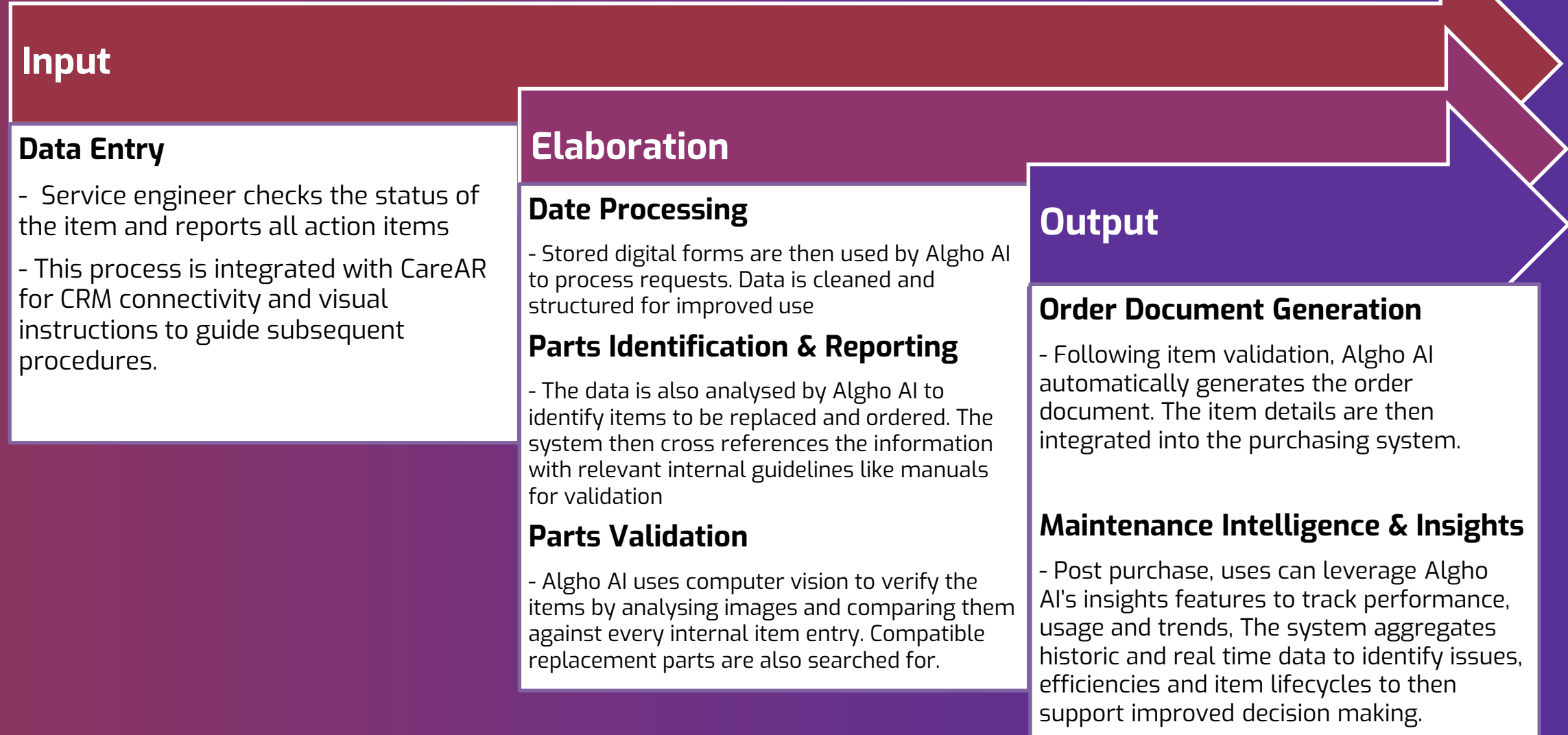
## Problem Statement

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

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

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

## Program Workflow



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# Upcoming Milestones in Defence

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

\*Indicative & Relating to Vection's Fiscal Year

# Board of Directors & Key Management

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## Marco Landi

*Independent Non-Executive Chair*

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



## Gianmarco Biagi

*Managing Director & CEO*

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



## Lorenzo Biagi

*Executive Director*

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



## Jacopo Merli

*Executive Director & COO*

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



## Cameron Petricevic

*Independent Non-Executive Director*

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



## Virgilio Picca

*Group CFO*

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



## Bert Mondello

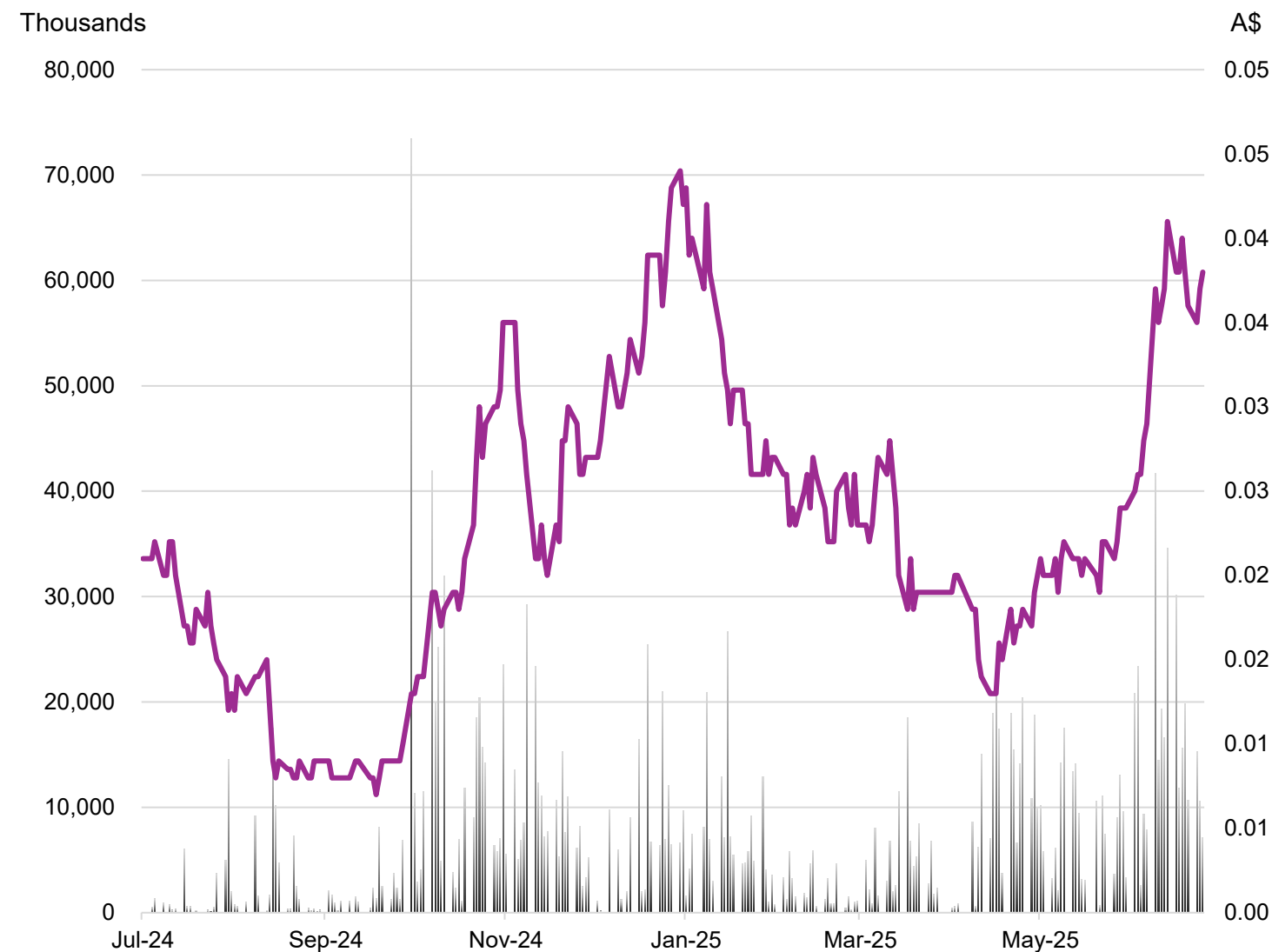
*Independent Non-Executive Director*

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

# Corporate Snapshot

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## Share Price Performance (12 months)



## ASX Information

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

<sup>1</sup> Converts into up to 62m shares, subject to achievement of performance milestones.

<sup>2</sup> Converts into up to 50m shares, subject to achievement of performance milestones.



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

Forward-looking statements include **indications, guidance, or outlook on future earnings, distributions, financial position, or performance**. These statements are not **guarantees of future performance** and are subject to known and unknown risks, uncertainties, and other factors—some of which are beyond Vection Technologies' control. These factors may be difficult to predict and could cause actual results to differ materially from those expressed or implied in forward-looking statements.

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

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

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

Thank you.