

1. Company details

Name of entity:	Vection Technologies Ltd
ABN:	93 614 814 041
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	9.6% to	36,003
Loss from ordinary activities after tax attributable to the owners of Vection Technologies Ltd	down	25.3% to	(7,367)
Loss for the year attributable to the owners of Vection Technologies Ltd	down	25.3% to	(7,367)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Supplementary information

This Appendix 4E - Preliminary final report is lodged with Australian Securities Exchange ('ASX') under Listing Rule 4.3A. This report is to be read in conjunction with any public announcements made by the Company for further commentary on the results for the year ended 30 June 2025, in accordance with continuous disclosures of the Corporations Act 2001 and ASX.

Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$7,367,000 (30 June 2024: \$9,862,000).

Earnings before interest, taxation, depreciation, and amortisation ('EBITDA'), Adjusted EBITTDA and Underlying EBITDA are financial measures that the Australian Accounting Standards do not prescribe.

EBITDA, Adjusted EBITTDA and Underlying EBITDA represent the Group's underlying earnings from its operations. They are determined by adjusting the statutory net loss after tax for items that are non-cash or non-operating in nature. The Directors consider EBITDA, Adjusted EBITDA and Underlying EBITDA to represent the core earnings of the Group. The table below reconciles net loss before tax, EBITDA, Adjusted EBITDA and Underlying EBITDA.

	2025 \$'000	2024 \$'000	Change \$'000	Change %
Revenue	36,003	32,838	3,165	10%
Other income and interest revenue	1,508	1,717	(209)	(12%)
Total revenue	<u>37,511</u>	<u>34,555</u>	<u>2,956</u>	9%
Total expenses	<u>(45,053)</u>	<u>(44,218)</u>	<u>(835)</u>	2%
Loss before income tax expense	<u>(7,542)</u>	<u>(9,663)</u>	<u>2,121</u>	(22%)

	2025 \$'000	2024 \$'000	Change \$'000	Change %
Loss before income tax expense	(7,542)	(9,663)	2,121	(22%)
Add: Depreciation and amortisation expense	5,500	2,331	3,169	136%
Add: Finance costs	1,269	976	293	30%
Less: Interest revenue	(9)	(25)	16	(64%)
Impairment of assets	575	3,139	(2,564)	(82%)
EBITDA (non-IFRS)	<u>(207)</u>	<u>(3,242)</u>	<u>3,035</u>	<u>(94%)</u>
Share-based payments expense	1,407	163	1,244	763%
Adjusted EBITDA (non-IFRS)	<u>1,200</u>	<u>(3,079)</u>	<u>4,279</u>	<u>(139%)</u>
Acquisitions costs	739	981	(242)	(25%)
Non-operating and discontinued costs	879	1,083	(204)	(19%)
Underlying EBITDA (non-IFRS)	<u>2,818</u>	<u>(1,015)</u>	<u>3,833</u>	<u>(378%)</u>

3. Net tangible assets

	2025 \$'000	2024 \$'000
Net assets	11,677	9,081
Less: Intangible assets	(38,304)	(21,717)
Less: Right-of-use (ROU) assets	-	(135)
Add: Lease liabilities - current	-	132
Add: Lease liabilities - non-current	-	31
Net tangible assets	<u>(26,627)</u>	<u>(12,608)</u>

	Number of shares 2025	Number of shares 2024
Number of ordinary shares on issue	1,767,421,887	1,126,588,969

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(1.51)</u>	<u>(1.12)</u>

4. Control gained over entities

Name of entities (or group of entities)	The Digital Box S.p.A. and its controlled entities
Date control gained	15 January 2025

\$'000

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	1,311
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5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Currently all accounting policies of the Group are consistent with those adopted by its ultimate holding company, Vection Technologies Ltd.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited and an unqualified opinion is expected to be issued. The auditor's report will include a paragraph addressing a material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Unaudited Preliminary Financial Report of Vection Technologies Ltd for the year ended 30 June 2025 is attached.

12. Signed

Signed _____



Mr Gianmarco Biagi
Managing Director and CEO

Date: 29 August 2025

Vection Technologies Ltd

ABN 93 614 814 041

Unaudited Preliminary Financial Report - 30 June 2025

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	Note	2025 \$'000	Restated* 2024 \$'000
Revenue	2	36,003	32,838
Other income		1,499	1,692
Interest revenue calculated using the effective interest method		9	25
Expenses			
Changes in inventories		(309)	341
Variable cost of sales		(18,740)	(24,451)
Employee benefits expense		(8,270)	(7,149)
Consulting and professional fees		(2,897)	(2,014)
Depreciation and amortisation expense		(5,500)	(2,331)
Impairment of assets	3	(575)	(3,139)
Share-based payments	3	(1,407)	(163)
Other expenses	3	(6,086)	(4,336)
Finance costs	3	(1,269)	(976)
Total expenses		(45,053)	(44,218)
Loss before income tax benefit/(expense)		(7,542)	(9,663)
Income tax benefit/(expense)		135	(336)
Loss after income tax benefit/(expense) for the year		(7,407)	(9,999)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		166	201
Other comprehensive income for the year, net of tax		166	201
Total comprehensive income for the year		(7,241)	(9,798)
Loss for the year is attributable to:			
Non-controlling interest		(40)	(137)
Owners of Vection Technologies Ltd		(7,367)	(9,862)
		(7,407)	(9,999)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(40)	(137)
Owners of Vection Technologies Ltd		(7,201)	(9,661)
		(7,241)	(9,798)
		Cents	Cents
Basic earnings per share	9	(0.520)	(0.875)
Diluted earnings per share	9	(0.520)	(0.875)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents		3,104	7,652
Trade and other receivables	4	28,867	14,421
Inventories		983	1,339
Total current assets		32,954	23,412
Non-current assets			
Intangible assets	5	38,304	21,717
Property, plant and equipment		923	536
Right-of-use assets		-	135
Financial assets		31	52
Deferred tax		43	-
Total non-current assets		39,301	22,440
Total assets		72,255	45,852
Liabilities			
Current liabilities			
Trade payables		15,728	14,115
Sundry creditors and accruals		13,819	4,492
Contract liabilities		-	165
Borrowings	6	10,613	7,503
Lease liabilities		-	132
Employee benefits		742	682
Total current liabilities		40,902	27,089
Non-current liabilities			
Borrowings	6	8,690	1,370
Lease liabilities		-	31
Employee benefits		3,124	1,400
Deferred tax liabilities		1,904	1,319
Other financial liabilities		5,958	5,562
Total non-current liabilities		19,676	9,682
Total liabilities		60,578	36,771
Net assets		11,677	9,081
Equity			
Issued capital	7	54,565	46,592
Reserves	8	1,797	4,394
Accumulated losses		(43,797)	(41,057)
Equity attributable to the owners of Vection Technologies Ltd		12,565	9,929
Non-controlling interest		(888)	(848)
Total equity		11,677	9,081

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	46,592	7,221	(34,386)	(711)	18,716
Loss after income tax expense for the year	-	-	(9,862)	(137)	(9,999)
Other comprehensive income for the year, net of tax	-	201	-	-	201
Total comprehensive income for the year	-	201	(9,862)	(137)	(9,798)
<i>Transactions with owners in their capacity as owners:</i>					
Options expired	-	(2,871)	2,871	-	-
Performance rights expired	-	(320)	320	-	-
Share-based payments	-	163	-	-	163
Balance at 30 June 2024	46,592	4,394	(41,057)	(848)	9,081
	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2024	46,592	4,394	(41,057)	(848)	9,081
Loss after income tax benefit for the year	-	-	(7,367)	(40)	(7,407)
Other comprehensive income for the year, net of tax	-	166	-	-	166
Total comprehensive income for the year	-	166	(7,367)	(40)	(7,241)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 7)	7,973	-	-	-	7,973
Share-based payments	-	220	-	-	220
Performance rights expired	-	(1,702)	1,702	-	-
Performance rights issued on business combination ()	-	1,644	-	-	1,644
Options expired	-	(2,925)	2,925	-	-
Balance at 30 June 2025	54,565	1,797	(43,797)	(888)	11,677

	2025 \$'000	Restated* 2024 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	34,748	36,201
Payments to suppliers and employees (inclusive of GST)	(38,982)	(33,565)
Interest received	9	25
Interest paid	(1,269)	(976)
Other revenue	1,499	-
Income taxes paid	77	(346)
Net cash (used in)/from operating activities	(3,918)	1,339
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	(167)	-
Payments for property, plant and equipment	(988)	(133)
Payments for intangible assets	(3,528)	(3,666)
Proceeds from disposal of property, plant and equipment	-	485
Net cash used in investing activities	(4,683)	(3,314)
Cash flows from financing activities		
Proceeds from issue of shares, net of issue transaction costs	2,996	-
Proceeds from borrowings	14,059	15,532
Repayment of borrowings	(13,005)	(17,182)
Repayment of lease liabilities	(163)	(248)
Net cash from/(used in) financing activities	3,887	(1,898)
Net decrease in cash and cash equivalents	(4,714)	(3,873)
Cash and cash equivalents at the beginning of the financial year	7,652	11,359
Effects of exchange rate changes on cash and cash equivalents	166	166
Cash and cash equivalents at the end of the financial year	<u>3,104</u>	<u>7,652</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Operating segments

Identification of reportable operating segments

The Board monitors its operations based on region. The Board (who is identified as the Chief Operating Decision Makers ('CODM')) has determined that the Group's segment information is based on two geographic locations being Europe, Middle East, Africa and America ('EMEA') and Asia-Pacific ('APAC').

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

EMEA	Integrated XR
APAC	3D Services, ICT and IoT

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

	EMEA \$'000	APAC \$'000	Total \$'000
2025			
Revenue			
Sales to external customers	31,808	4,195	36,003
Other revenue	1,497	2	1,499
Total revenue	33,305	4,197	37,502
EBITDA	3,266	(2,066)	1,200
Depreciation and amortisation	(5,488)	(12)	(5,500)
Impairment of assets	-	(575)	(575)
Share-based payments expense	-	(1,407)	(1,407)
Finance costs	(1,199)	(70)	(1,269)
Interest revenue	1	8	9
Loss before income tax benefit	(3,420)	(4,122)	(7,542)
Income tax benefit			135
Loss after income tax benefit			(7,407)
Assets			
Segment assets	75,436	13,797	89,233
Intersegment eliminations			(16,978)
Total assets			72,255
<i>Total assets includes:</i>			
Acquisition of non-current assets	-	-	-
Liabilities			
Segment liabilities	71,732	8,713	80,445
Intersegment eliminations			(19,867)
Total liabilities			60,578

Note 1. Operating segments (continued)

2024 - Restated*	EMEA \$'000	APAC \$'000	Total \$'000
Revenue			
Sales to external customers	29,156	3,682	32,838
Other revenue	1,652	40	1,692
Total revenue	<u>30,808</u>	<u>3,722</u>	<u>34,530</u>
EBITDA	515	(3,594)	(3,079)
Depreciation and amortisation	(2,098)	(233)	(2,331)
Impairment of assets	(3,139)	-	(3,139)
Share-based payments expense	-	(163)	(163)
Finance costs	(920)	(56)	(976)
Interest revenue	2	23	25
Loss before income tax expense	<u>(5,640)</u>	<u>(4,023)</u>	<u>(9,663)</u>
Income tax expense			(336)
Loss after income tax expense			<u>(9,999)</u>
Assets			
Segment assets	38,763	13,885	52,648
Intersegment eliminations			(6,796)
Total assets			<u>45,852</u>
<i>Total assets includes:</i>			
Acquisition of non-current assets	7,565	-	7,565
Liabilities			
Segment liabilities	38,302	11,945	50,247
Intersegment eliminations			(13,476)
Total liabilities			<u>36,771</u>

* Refer to for detailed information on restatement of comparatives.

Note 2. Revenue

	2025 \$'000	2024 \$'000
Revenue from contracts with customers	<u>36,003</u>	<u>32,838</u>

Note 2. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2025 \$'000	2024 \$'000
<i>Major product lines</i>		
INTEGRATEDXR® solutions and services	36,003	32,838
<i>Geographical regions</i>		
EMEA represents the geographical area composed by Europe, Middle East, Africa and America.	31,808	29,156
APAC represents the geographical area composed by Australia and the Asia-Pacific region.	4,195	3,682
	36,003	32,838
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	18,477	29,992
Services transferred over time	17,526	2,846
	36,003	32,838

Note 3. Expenses

Loss before income tax includes the following specific expenses:

Impairment of assets

Goodwill	-	761
Software and development costs	-	2,378
Expected credit losses	575	-
Total impairment of assets	575	3,139

Other expenses

Advertising and marketing expenses	1,029	733
Corporate and administrative expenses	4,222	3,008
Rent expenses	835	595
Total other expenses	6,086	4,336

Finance costs

Interest and finance charges paid/payable on borrowings	1,233	948
Interest and finance charges paid/payable on lease liabilities	36	28
Finance costs expensed	1,269	976

Share-based payments expense

Vesting of performance rights relating to business combination	-	(346)
Director performance rights expenses	1,407	509
Total share-based payments expense	1,407	163

Note 4. Trade and other receivables

	2025 \$'000	Restated* 2024 \$'000
<i>Current assets</i>		
Trade receivables	21,997	11,142
Less: Allowance for expected credit losses	(1,006)	(189)
	<u>20,991</u>	<u>10,953</u>
Other receivables	5,516	2,148
Prepayments	2,360	1,320
	<u>7,876</u>	<u>3,468</u>
	<u><u>28,867</u></u>	<u><u>14,421</u></u>

Note 5. Intangible assets

	2025 \$'000	Restated* 2024 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	28,505	13,431
Less: Impairment	(1,734)	(1,734)
	<u>26,771</u>	<u>11,697</u>
Intellectual property - at cost	2,825	2,825
Less: Impairment	(1,892)	(1,892)
	<u>933</u>	<u>933</u>
Customer relationships - at cost	1,589	833
Less: Accumulated amortisation	(364)	(128)
	<u>1,225</u>	<u>705</u>
Other intangible assets (software and development costs) - at cost	27,033	15,286
Less: Accumulated amortisation	(14,029)	(3,275)
Less: Impairment	(3,629)	(3,629)
	<u>9,375</u>	<u>8,382</u>
	<u><u>38,304</u></u>	<u><u>21,717</u></u>

Note 6. Borrowings

	2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Bank loans	10,513	7,338
Insurance premium funding	100	165
	<u>10,613</u>	<u>7,503</u>
<i>Non-current liabilities</i>		
Bank loans	8,690	1,370
	<u><u>19,303</u></u>	<u><u>8,873</u></u>

Note 7. Issued capital

	2025 Shares	2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares - fully paid	<u>1,767,421,887</u>	<u>1,126,588,969</u>	<u>54,565</u>	<u>46,592</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back during the current year.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 8. Reserves

	2025 \$'000	2024 \$'000
Share-based payments reserve	1,644	4,407
Foreign currency reserve	153	(13)
	<u>1,797</u>	<u>4,394</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Note 8. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Share-based payments \$'000	Foreign currency \$'000	Total \$'000
Balance at 1 July 2023	7,435	(214)	7,221
Foreign currency translation	-	201	201
Share-based payment	163	-	163
Performance rights vested/lapsed	(320)	-	(320)
Options expired	(2,871)	-	(2,871)
Balance at 30 June 2024	4,407	(13)	4,394
Foreign currency translation	-	166	166
Share-based payment expense	220	-	220
Performance rights vested/lapsed	(1,702)	-	(1,702)
Options expired	(2,925)	-	(2,925)
Performance rights issued on acquisition	1,644	-	1,644
Balance at 30 June 2025	1,644	153	1,797

Note 9. Earnings per share

	2025 \$'000	2024 \$'000
Loss after income tax	(7,407)	(9,999)
Non-controlling interest	40	137
Loss after income tax attributable to the owners of Vection Technologies Ltd	(7,367)	(9,862)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,417,183,768	1,126,588,969
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,417,183,768	1,126,588,969
	\$ Cents	\$ Cents
Basic earnings per share	(0.520)	(0.875)
Diluted earnings per share	(0.520)	(0.875)

13,100,000 (2024: 13,100,000) performance rights over ordinary shares under the Group's Long Term Incentive Plan and 270,000,000 listed options have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2025. These options could potentially dilute basic earnings per share in the future.