

29 September 2025 Australia

ASX RELEASE
VECTION SECURES ACQUISITION, STRENGTHENING EARNINGS AND CAPABILITY

Acquisition of DXLabs adds immediate revenue and EBIT in Australia to Vection, strengthening APAC capability and unlocking cross-sell opportunities.

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY, FRA: S1X), ("Vection" or the "Company"), the INTEGRATEDXR[®] company, is pleased to announce that it has executed a binding offer to acquire 100% of Digital Experience Labs Pty Ltd ("DXLabs"), a fast-growing Australian digital transformation and solutions business, with enterprise customers in government, insurance and adjacent sectors. DXLabs help businesses build, optimise and scale their operations through digital transformation solutions and modern intelligence automation tools; Complimentary to a business's existing technology stack and AI technologies in general. Completion of the acquisition is subject to conditions being mainly satisfactory due diligence activities by Vection. All staff of DXLabs will remain with the CEO, Mr Luis Nejo, committed to grow the business in key markets across Australia and Asia.

The transaction is structured as an all-scrip offer with an upfront consideration and a performance-based earn-out, ensuring VR1 shareholders retain maximum value while benefiting from increased revenue, EBITDA, and strategic growth. Completion is targeted for 31 October 2025, subject to satisfaction of the conditions.

HIGHLIGHTS:

- Vection to acquire a fast-growing Australian based software company (39% revenue growth yoy for FY25) with key founder/CEO and all staff.
- Financially, the acquisition adds an immediate: \$3.5m of revenue and \$0.8m EBIT to Vection with no debt.
- Upfront consideration of \$2.1m in scrip (2.8x EBIT).
- Earn-out for FY26 EBITDA aligned to a maximum opportunity of between \$0.3-\$2.1m in scrip (for 75%-150% of FY2025 EBITDA performance).
- Integration is expected to be complete within a month post completion.
- Strengthens Vection's Australian delivery team with more live enterprise customers in insurance, logistics, lending and other automation-driven industries, including government.
- Key management and staff to be retained, ensuring seamless integration and accelerating growth.
- Unlocks meaningful cross-sell opportunities by combining VR1's AI and spatial computing solutions with DXLabs' specialisation in automation and integration platforms.
- Completion targeted by 31 October 2025.

Accretive financial contribution:

- Immediate addition of revenue and EBIT.
- Business grew 39% yoy for FY25.

Disciplined valuation:

- Upfront consideration of \$2.1m (2.8x EBIT).
- Earn-out tied directly to EBIT delivery In FY26, aligning incentives.

Minimal dilution:

- Upfront scrip equates to ~1.9–2.1% dilution only.
- One of VR1's most capital-efficient transactions.

Strategic expansion platform:

- Ready-made Australian team and enterprise customer base.
- Retained management ensures continuity.
- Unlocks cross-sell between AI spatial computing and automation platforms.

VECTION TECHNOLOGIES LTD

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

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WEBSITE
www.vection-technologies.com
REGISTERED OFFICE

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

COMMENTARY

Gianmarco Biagi, Managing Director of Vection Technologies, said:

"This acquisition is a highly disciplined and value-accretive step for Vection. A 2.8x EBIT upfront and all-scrip consideration demonstrates the founder/CEO's commitment to Vection and confidence in growth as well as Vection's acquisition discipline. The acquisition allows us to strengthen our Australian footprint, adding immediate revenue and EBIT, provide Vection with a launchpad for APAC and bringing on board a proven team with enterprise customers in key industries."

DXLabs' automation and integration expertise is a perfect complement to our software technologies. Together, we can offer customers end-to-end digital transformation solutions that are faster to deploy and more impactful. We are particularly excited about the cross-sell opportunities this creates which we expect to accelerate our growth across government and enterprise markets in APAC. Notably, the structure aligns incentives: our shareholders get immediate benefit, while the vendors are rewarded only if stretch EBITDA targets are achieved. This deal is consistent with our strategy of capital-efficient, accretive growth, and positions us strongly to scale."

Luis Nejo, CEO of Digital Experience Labs, said:

"Joining forces with Vection Technologies is a natural progression for DXLabs. Over the past 8 years, we've built a strong reputation in advanced process automation, digital decisioning, and systems integration, with a loyal customer base across insurance, finance, government, and enterprise sectors. By becoming part of Vection, we gain access to their global XR and AI technologies, which will allow us to broaden our offering and create even greater value for our customers."

Our team is excited to remain with the business and continue delivering for clients while also leveraging Vection's global scale, thought-leadership, and resources. This partnership unlocks significant growth potential, both for our people and our customers, and ensures DXLabs can continue to innovate at the forefront of digital transformation."

TRANSACTION DETAIL

Consideration & structure summary:

- Upfront scrip at completion: \$2,100,000 in VR1 shares, calculated as \$2.1m ÷ the lower of the 5-day VWAP ending 5 ASX trading days prior to completion and \$0.06.
- Performance-based equity earn-out: additional VR1 shares valued at \$300,000–\$2,100,000 (for 75%-150% of FY2025 EBITDA performance) based on FY2026 EBITDA versus a \$0.55m Target EBITDA, valued using the 5-day VR1 VWAP ending 5 ASX trading days before VR1's 30 June 2026 results (rounded).
- Advisory Fee: 5% of total consideration in VR1 shares.
- Closing accounts: standard net debt/debt-like adjustments (incl. >120-day payables, overdue fiscal obligations; ATO payment plans excluded).

Conditions precedent & timetable summary:

- Key conditions precedent:
 - Commercial, legal, financial, tax, accounting, IP due diligence; and
 - Any VR1 shareholder approval (if required);
- Execution of definitive documents with customary representations, warranties, indemnities;
- Key-management retention agreements.
- Target completion: by 31 October 2025, subject to satisfaction of the conditions precedent.

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AUTHORISATION:

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

ENDS
INVESTOR RELATIONS CONTACT DETAILS:

Gianmarco Biagi - Managing Director (Europe Based)
 Email: gianmarco.biagi@vection-technologies.com

Cameron Petricevic - Independent, Non-Executive Director (Australia Based)
 Email: cameron.petricevic@vection-technologies.com

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

ABOUT DXLABS:

DXLabs helps enterprise and government organisations build scalable and sustainable automation into their processes leveraging modern no-code. It partners with modern enterprise solutions like Workato, Decisions, ServiceNow, AWS, Microsoft, Riverbed and more, with published case studies for Money3, Fidelity Life, Solution Underwriting (CFC) and others across ANZ.

For more information, please visit: <https://dxlabs.com.au>

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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