

## 1. Company details

Name of entity:	Vection Technologies Ltd
ACN:	614 814 041
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

## 2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	29.2% to	16,232
Loss from ordinary activities after tax attributable to the owners of Vection Technologies Ltd	up	139.0% to	(8,915)
Loss for the half-year attributable to the owners of Vection Technologies Ltd	up	139.0% to	(8,915)

### Dividends

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

### Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$8,915,000 (31 December 2024: \$3,730,000).

Further information on the 'Review of operations' is detailed in the Directors' report which is part of the Interim Report.

### Supplementary information

This report should be read in conjunction with the Annual Financial Report of the Company for the year ending 30 June 2025 and any public announcements made by the Company since that date.

## 3. Net tangible assets

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Net assets	28,753	8,109
Less: Intangibles	(45,167)	(23,785)
Less: Right-of-use (ROU) assets	(405)	(67)
Add: Lease liabilities - current	278	72
Add: Lease liabilities - non-current	221	10
Net tangible assets	<u>(16,320)</u>	<u>(15,661)</u>
	<b>2025 Number</b>	<b>2024 Number</b>
Number of ordinary shares on issue	2,247,463,999	1,350,480,845
	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>(0.73)</u>	<u>(1.16)</u>

#### 4. Control gained over entities

Not applicable.

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#### 5. Loss of control over entities

Not applicable.

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#### 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.

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#### 7. Dividend reinvestment plans

Not applicable.

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#### 8. Details of associates and joint venture entities

Not applicable.

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#### 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.

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#### 10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report, which includes a paragraph addressing a material uncertainty related to going concern, is attached as part of the Interim Report.

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#### 11. Attachments

*Details of attachments (if any):*

The Interim Report of Vection Technologies Ltd for the half-year ended 31 December 2025 is attached.

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12. Signed

On behalf of the Directors

Signed  \_\_\_\_\_

Mr Gianmarco Biagi  
Managing Director and CEO

Date: 27 February 2026

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# **Vection Technologies Ltd**

**ACN 614 814 041**

**Interim Report - 31 December 2025**

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Vection Technologies Ltd (referred to hereafter as the 'Company', 'parent entity' or 'Vection') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

### Directors

The following persons were Directors of Vection Technologies Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Gianmarco Biagi	Managing Director and CEO
Mr Lorenzo Biagi	Executive Director
Mr Jacopo Merli	Executive Director and COO
Mr Umberto (Bert) Mondello	Non-Executive Director
Mr Cameron Petricevic	Independent Non-Executive Director
Mr Marco Landi	Independent Non-Executive Chairman (resigned on 30 January 2026)

### Principal activities

During the period, the principal continuing activity of the Group consisted of developing and commercialising integrated digital transformation technology solutions and services part of its INTEGRATEDXR® suite, including ICT infrastructure, kiosks, mixed reality ('MR'), augmented reality ('AR'), virtual reality ('VR'), computer-aided design ('CAD'), 3D modelling and renderings, and artificial intelligence ('AI').

### Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Review of operations

#### Financial performance

For the half-year ended 31 December 2025 ('1H FY26'), the loss for the Group after providing for income tax was \$9,308,000 (31 December 2024 ('1H FY25'): \$3,744,000).

The loss for the Group after providing for income tax and non-controlling interest amounted to \$8,915,000 (31 December 2024: \$3,730,000).

#### Revenue

The Group reported revenue from operating activities in the period of \$16,232,000 (1H FY24: \$12,560,000), up 29.2% versus the previous corresponding period ('PCP').

#### EBITDA

The Group's EBITDA was a loss of \$4,779,000 (1H FY25: EBITDA loss of \$2,249,000). Underlying EBITDA was a profit of \$173,000 (1H FY25: Underlying EBITDA profit of \$55,000) in 1H FY26 and excludes the impairment of trade receivables, share-based payments expense and non-operating items in relation to the cost-reduction program.

An impairment charge of \$466,000 has been taken at 31 December 2025 in respect of expected credit losses of trade receivables (31 December 2024: \$92,000).

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

EBITDA, Adjusted EBITDA 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.

	1H FY26 \$'000	1H FY25 \$'000	Variance \$'000	Variance %
Revenue	16,232	12,560	3,672	29%
Other income and interests revenue	1,181	393	788	201%
<b>Total revenue</b>	<b>17,413</b>	<b>12,953</b>	<b>4,460</b>	<b>34%</b>
Total expenses	(26,633)	(16,772)	(9,861)	59%
<b>Loss before income tax expense</b>	<b>(9,220)</b>	<b>(3,819)</b>	<b>(5,401)</b>	<b>141%</b>
Add: Depreciation and amortisation expense	2,640	1,225	1,415	116%
Add: Finance costs	1,359	257	1,102	429%
Less: Interest revenue	(24)	(4)	(20)	500%
Add: Impairment of trade receivables	466	92	374	407%
<b>EBITDA</b>	<b>(4,779)</b>	<b>(2,249)</b>	<b>(2,530)</b>	<b>112%</b>
Share-based payments expense	3,443	1,186	2,257	190%
<b>Adjusted EBITDA</b>	<b>(1,336)</b>	<b>(1,063)</b>	<b>(273)</b>	<b>26%</b>
Acquisition costs	790	539	251	47%
Non-operating costs	719	579	140	24%
<b>Underlying EBITDA</b>	<b>173</b>	<b>55</b>	<b>118</b>	<b>215%</b>

The directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

### Highlights for the Half-Year

The first half of FY26 marks a significant step forward in Vection's operational execution and financial discipline, with strong revenue growth, a material improvement in margins, and a return to positive operating cash flow on a year-to-date basis.

#### Revenue Growth and Margin Expansion

For the six months ended 31 December 2025, the Company recorded revenue of \$16.2 million, representing a 29% increase compared to \$12.5 million in H1 FY25. Growth was primarily driven by continued expansion in the Defence and Healthcare sectors, supported by increasing adoption of our integrated AI+XR ecosystem.

Importantly, gross margin improved materially to 56%, compared to 37% in the prior corresponding period. This expansion reflects improved revenue quality, stronger pricing discipline, and operating leverage as our scalable AI-powered XR platforms gain traction across multiple verticals.

Underlying EBITDA for the period was positive at approximately \$0.2 million, compared to approximately \$0.06 million in H1 FY25, demonstrating tangible progress toward structural profitability.

#### Normalised Net Result

The net loss for H1 FY26 was approximately \$9.3 million (H1 FY25: \$3.7 million). However, the reported result includes significant non-operational items, namely \$1.51 million in acquisition and other non-operating costs, \$3.44 million in share-based payments, and approximately \$1.0 million in non-financial expenses. Excluding these extraordinary items, the net loss for H1 FY26 would have been approximately \$3.2 million, reflecting the underlying improvement in operating performance.

It is also important to note that historically the first half represents Vection's seasonally weaker period, with the second half typically generating significantly stronger revenue and earnings contribution.

#### Cash Flow and Balance Sheet Strengthening

On a year-to-date basis:

- Customer cash receipts totalled \$22.5 million.
- Net operating cash flow was positive at approximately \$0.09 million.
- Cash and cash equivalents at period end were approximately \$13.8 million.
- The return to positive operating cash flow at the half-year level represents an important milestone in the Company's financial trajectory.
- Net reduction in bank debt of approximately \$3.1 million, underscoring management's focus on disciplined capital management and progressive deleveraging.

## Strategic Execution

During the period, Vection:

- Consolidated the integration of The Digital Box and Qusted into a unified AI+XR+Hardware ecosystem.
- Progressed M&A activities in Australia (DX LAB) and Hong Kong (Monogic), strengthening territorial presence in Asia-Pacific.
- Reinforced strategic relationships with Dell Technologies, Xerox, Accenture, and Totalplay.
- Secured new AI purchase orders across multiple verticals, with a growing contribution from renewals and upselling.
- Continued execution of the NATO-aligned Defence framework, providing multi-year revenue visibility through FY30.

## Outlook

Vection enters the second half of FY26 with strengthened liquidity, positive operating cash flow momentum, reduced net bank debt, a multi-year Defence framework transitioning into structured execution, an increasingly scalable AI+XR+HW ecosystem, and expanding geographic coverage across Europe, Australia, Asia, and the United States.

Management remains focused on converting contracted work into delivered revenue, increasing recurring revenue contribution, improving operating margins, and maintaining financial discipline as the Company scales.

## Significant changes in the state of affairs

On 25 July 2025 and 1 August 2025, the Company issued a total of 2,000,000 ordinary shares with an exercise price of \$0.018 from the listed option conversion.

On 18 August 2025, the Company issued a total of 37,450,000 ordinary shares with an exercise price of \$0.050 in lieu of payment for consulting services and to employees in lieu of salaries, fees and bonuses, as approved by shareholders at the AGM held on 18 August 2025.

On 12 September 2025, the Company issued a total of 7,831,450 ordinary shares through the exercise of options with an exercise price of \$0.018.

On 29 September 2025, Vection announced that it had received firm commitments from institutional, sophisticated and professional investors for a placement to raise \$21M with the issue of 350M fully paid ordinary shares at a price of \$0.06. New shares from the raise commenced trading on 6 October 2025.

On 29 September 2025, Vection announced that it had executed a binding agreement to acquire 100% of the shares in Australian digital automation business Digital Experience Labs Pty Ltd (DXLabs). Consideration for the EBIT positive business is shares to the value of \$2.1M upfront with deferred consideration of shares to the value of up to a further \$2.1M, on achievement of milestones.

Vection subsidiary The Digital Box S.p.A. ('TDB') is currently subject to an Italian 'out-of-court' restructuring instrument called a 'composizione negoziata per la soluzione della crisi di impresa' or 'negotiated settlement of the business crisis' ('CNC'). This is not an insolvency procedure and is accessible exclusively to companies in financial distress that have a reasonable chance of approving and implementing a restructuring plan to maintain the existing business continuity. Using the framework of the CNC, the Company intends to negotiate a tax settlement agreement with tax authorities for partial or deferred payment of tax debts. If there is a positive outcome from the CNC, the Company will gain better terms on repayment or partial credit of TDB's existing debts. If unsuccessful, there no significant impact aside from the costs of application. The CNC was filed with Italian authorities on 29 September 2025.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

## Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Principal business risks

The material business risks that could adversely affect the Group's financial performance and growth potential in future years and how the Group propose to mitigate such risks were detailed in the Annual Report at 30 June 2025. Those risks have been assessed up to the reporting date with no significant changes noted since then.

### Environmental regulation

The Group is not currently subject to any significant environmental regulation under Australian Commonwealth or State law. However, the following disclosure standard will soon become effective.

AASB S2 'Climate-related Disclosures' sets out specific climate related disclosures. It applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and is effective for different entities based on certain criteria. This mandatory sustainability reporting may be applicable to the Company for the first time for the year ending 30 June 2028.

### Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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Mr Gianmarco Biagi  
Managing Director and CEO

27 February 2026



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Mr Jacopo Merli  
Executive Director and COO

To the Board of Directors

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead audit director for the review of the financial statements of Vection Technologies Limited and its Controlled Entities for the half year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**



**CHRIS NICOLOFF** FCA  
**Director**

Dated this 27<sup>th</sup> day of February 2026  
Perth, Western Australia

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Revenue</b>	5	16,232	12,560
Other income		1,157	389
Interest revenue calculated using the effective interest method		24	4
<b>Expenses</b>			
Changes in inventories		(1,105)	(68)
Variable cost of sales		(6,542)	(8,026)
Employee benefits expense		(4,862)	(3,160)
Consulting and professional fees		(3,217)	(733)
Depreciation and amortisation expense		(2,640)	(1,225)
Impairment of trade receivables		(466)	(92)
Share-based payments	6,16	(3,443)	(1,186)
Other expenses	6	(2,879)	(1,728)
Finance costs	6	(1,479)	(554)
Total expenses		(26,633)	(16,772)
<b>Loss before income tax (expense)/benefit</b>		(9,220)	(3,819)
Income tax (expense)/benefit		(88)	75
<b>Loss after income tax (expense)/benefit for the half-year</b>		(9,308)	(3,744)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(387)	15
Other comprehensive income for the half-year, net of tax		(387)	15
<b>Total comprehensive income for the half-year</b>		(9,695)	(3,729)
Loss for the half-year is attributable to:			
Non-controlling interest		(393)	(14)
Owners of Vection Technologies Ltd		(8,915)	(3,730)
		(9,308)	(3,744)
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(393)	(14)
Owners of Vection Technologies Ltd		(9,302)	(3,715)
		(9,695)	(3,729)
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	15	(0.444)	(0.296)
Diluted earnings per share	15	(0.444)	(0.296)

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

	Note	31 Dec 2025 \$'000	Restated* 30 Jun 2025 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		13,735	3,104
Trade and other receivables	7	26,136	29,035
Inventories		1,641	1,698
Other assets		82	-
<b>Total current assets</b>		<b>41,594</b>	<b>33,837</b>
<b>Non-current assets</b>			
Intangibles assets	8	45,167	41,471
Property, plant and equipment		850	923
Right-of-use assets		405	-
Financial assets	13	125	109
<b>Total non-current assets</b>		<b>46,547</b>	<b>42,503</b>
<b>Total assets</b>		<b>88,141</b>	<b>76,340</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		12,808	15,731
Sundry creditors and accruals		15,134	14,819
Borrowings	9	6,950	7,915
Lease liabilities		278	-
Employee benefits		647	742
Income tax payable		251	248
<b>Total current liabilities</b>		<b>36,068</b>	<b>39,455</b>
<b>Non-current liabilities</b>			
Borrowings	9	10,419	11,067
Lease liabilities		221	-
Employee benefits		3,098	3,124
Deferred tax liabilities		1,860	1,860
Other financial liabilities	13	7,722	7,602
<b>Total non-current liabilities</b>		<b>23,320</b>	<b>23,653</b>
<b>Total liabilities</b>		<b>59,388</b>	<b>63,108</b>
<b>Net assets</b>		<b>28,753</b>	<b>13,232</b>
<b>Equity</b>			
Issued capital	10	78,891	54,565
Reserves	11	5,267	4,764
Accumulated losses		(54,894)	(45,979)
Equity attributable to the owners of Vection Technologies Ltd		29,264	13,350
Non-controlling interest		(511)	(118)
<b>Total equity</b>		<b>28,753</b>	<b>13,232</b>

\* Restated refer to note 3 for detailed information on restatement of comparatives.

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2024	46,592	4,394	(40,582)	(848)	9,556
Adjustment for correction of error	-	-	(475)	-	(475)
Balance at 1 July 2024 - restated	46,592	4,394	(41,057)	(848)	9,081
Loss after income tax benefit for the half-year	-	-	(3,730)	(14)	(3,744)
Other comprehensive income for the half-year, net of tax	-	15	-	-	15
Total comprehensive income for the half-year	-	15	(3,730)	(14)	(3,729)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	2,537	-	-	-	2,537
Share-based payments	-	220	-	-	220
Performance rights lapsed	-	(1,702)	1,702	-	-
Options expired	-	(2,925)	2,925	-	-
Balance at 31 December 2024	49,129	2	(40,160)	(862)	8,109

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2025	54,565	4,764	(45,281)	(118)	13,930
Adjustment for correction of error (note 3)	-	-	(698)	-	(698)
Balance at 1 July 2025 - restated	54,565	4,764	(45,979)	(118)	13,232
Loss after income tax expense for the half-year	-	-	(8,915)	(393)	(9,308)
Other comprehensive income for the half-year, net of tax	-	(387)	-	-	(387)
Total comprehensive income for the half-year	-	(387)	(8,915)	(393)	(9,695)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 10)	24,326	-	-	-	24,326
Share-based payments (note 11)	-	1,025	-	-	1,025
Options exercised (note 11)	-	(198)	-	-	(198)
Performance rights granted (note 11)	-	2,687	-	-	2,687
Performance rights vested (note 11)	-	(2,624)	-	-	(2,624)
Balance at 31 December 2025	78,891	5,267	(54,894)	(511)	28,753

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		22,519	15,107
Payments to suppliers and employees (inclusive of GST)		(19,625)	(19,234)
Interest received		24	4
Interest paid		(1,359)	(257)
Government grants incentive		-	170
Income taxes paid		(1,469)	(139)
Net cash from/(used in) operating activities		90	(4,349)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(494)	(214)
Payments for intangibles		(4,524)	(3,026)
Payment for expenses relating to prior acquisitions		(836)	-
Payments for other assets		(82)	-
Net cash used in investing activities		(5,936)	(3,240)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and exercises of options	10	21,666	2,000
Share issue transaction costs		(1,945)	(132)
Proceeds from borrowings		6,431	7,513
Repayment of borrowings		(9,578)	(6,426)
Repayment of lease liabilities		-	(24)
Net cash from financing activities		16,574	2,931
Net increase/(decrease) in cash and cash equivalents		10,728	(4,658)
Cash and cash equivalents at the beginning of the financial half-year		3,104	7,602
Effects of exchange rate changes on cash and cash equivalents		(97)	168
Cash and cash equivalents at the end of the financial half-year		13,735	3,112

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

## Note 1. General information

The financial statements cover Vection Technologies Ltd as a Group consisting of Vection Technologies Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Vection Technologies Ltd's functional and presentation currency.

Vection Technologies Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

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

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 February 2026.

## Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Group during the financial half-year ended 31 December 2025 and are not expected to have a significant impact for the full financial year ending 30 June 2026.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2025, the Group recorded a net loss after tax of \$9,308,000 (31 December 2024: \$3,744,000) and net cash inflows from operating activities of \$90,000 (31 December 2024: outflow of \$4,349,000). At 31 December 2025, the Group had cash and cash equivalents of \$13,735,000 (30 June 2025: \$3,104,000); net assets of \$28,753,000 (30 June 2025: \$13,232,000) and net current assets of \$5,526,000 (30 June 2025: net current liabilities of \$5,618,000).

During the period, the Company completed a capital raising of \$21 million (announced on 29 September 2025), strengthening the Group's liquidity position.

## Note 2. Material accounting policy information (continued)

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These forecasts incorporate contracted revenues, recurring SaaS income streams, cost optimisation initiatives and expected commercial activity across defence, healthcare and enterprise segments.

The subsidiary The Digital Box S.p.A. is currently participating in an Italian negotiated settlement procedure ("composizione negoziata per la soluzione della crisi di impresa" or "CNC"), which is designed to facilitate the restructuring of certain liabilities while preserving business continuity. This process does not constitute an insolvency procedure and continues to support ongoing operations.

The Company anticipates that the CNC instrument will result in a significant reduction in the Company's borrowing amounts. In addition, the Company anticipates that it will deliver a strong second half performance, consistent with previous years, which reflects the seasonality of the Company's current main markets in Europe.

The results of the first half of the year show good performance in line with growth and profitability expectations, and thus with the Group's ability to continue as a going concern. This outcome is achievable if the Group meets the projected targets.

Should the Group not achieve the matters above, this gives rise to a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern.

Based on the above, the Directors are satisfied that the Group will have sufficient resources to meet its obligations as and when they fall due for at least 12 months from the date of approval of these financial statements and therefore it is appropriate to prepare the financial statements on a going concern basis.

## Note 3. Restatement of comparatives

### Correction of error

In December 2025, Vection discovered that a certain liability from the TDB acquisition was recorded during the period ended 30 June 2025. As a result, the consolidated statement of financial position and the consolidated statement of changes in equity are over estimated. This error has been corrected by restating each of the affected consolidated statement of financial position and statement of changes in equity line items for prior periods. The following table summarises the impact on Vection's consolidated statement of financial position.

	30 June 2025 Reported \$'000	Adjustment \$'000	30 June 2025 Restated \$'000
Sundry creditors and accruals	14,121	698	14,819
Accumulated losses	(45,281)	(698)	(45,979)

## Note 4. 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 Maker ('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

#### Note 4. Operating segments (continued)

##### 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

31 Dec 2025	EMEA \$'000	APAC \$'000	Total \$'000
<b>Revenue</b>			
Sales to external customers	13,194	3,038	16,232
Other revenue	1,137	20	1,157
<b>Total revenue</b>	<b>14,331</b>	<b>3,058</b>	<b>17,389</b>
<b>EBITDA</b>			
Depreciation and amortisation	3,528	(4,744)	(1,216)
Impairment of trades receivables	(2,620)	(20)	(2,640)
Share-based payments expense	(466)	-	(466)
Finance costs	-	(3,443)	(3,443)
Interest revenue	(932)	(547)	(1,479)
	-	24	24
<b>Loss before income tax expense</b>	<b>(490)</b>	<b>(8,730)</b>	<b>(9,220)</b>
Income tax expense			(88)
<b>Loss after income tax expense</b>			<b>(9,308)</b>
<b>Assets</b>			
Segment assets	47,677	51,434	99,111
Intersegment eliminations			(10,970)
<b>Total assets</b>			<b>88,141</b>
<b>Liabilities</b>			
Segment liabilities	68,458	13,893	82,351
Intersegment eliminations			(22,963)
<b>Total liabilities</b>			<b>59,388</b>

Note 4. Operating segments (continued)

	EMEA \$'000	APAC \$'000	Total \$'000
<b>31 Dec 2024</b>			
<b>Revenue</b>			
Sales to external customers	10,563	1,997	12,560
Other revenue	393	-	393
<b>Total revenue</b>	<b>10,956</b>	<b>1,997</b>	<b>12,953</b>
<b>EBITDA</b>	(209)	(854)	(1,063)
Depreciation and amortisation	(1,076)	(149)	(1,225)
Impairment of trades receivables	(92)	-	(92)
Share-based payments expense	-	(1,186)	(1,186)
Finance costs	(225)	(32)	(257)
Interest revenue	-	4	4
<b>Loss before income tax benefit</b>	<b>(1,602)</b>	<b>(2,217)</b>	<b>(3,819)</b>
Income tax benefit			75
<b>Loss after income tax benefit</b>			<b>(3,744)</b>
<b>30 June 2025</b>			
<b>Assets</b>			
Segment assets	79,521	13,797	93,318
Intersegment eliminations			(16,978)
<b>Total assets</b>			<b>76,340</b>
<b>Liabilities</b>			
Segment liabilities	73,907	9,068	82,975
Intersegment eliminations			(19,867)
<b>Total liabilities</b>			<b>63,108</b>

Note 5. Revenue

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Revenue from contracts with customers	16,232	12,560

## Note 5. Revenue (continued)

### Disaggregation of revenue

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

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<i>Major product lines</i>		
<b>INTEGRATEDXR®</b> solutions and services	16,232	12,560
<i>Geographical regions</i>		
EMEA represents the geographical area composed by Europe, Middle East, Africa and America.	13,194	10,563
APAC represents the geographical area composed by Australia and the Asia-Pacific region.	3,038	1,997
	16,232	12,560
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	5,290	10,563
Services transferred over time	10,942	1,997
	16,232	12,560

## Note 6. Expenses

Loss before income tax includes the following specific expenses:

### Other expenses

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Advertising and marketing expenses	462	188
Corporate and administrative expenses	1,895	1,165
Rent expenses	375	333
Net foreign exchange loss	147	42
	2,879	1,728

### Finance costs

Interest and finance charges paid/payable on borrowings	1,330	253
Interest and finance charges paid/payable on lease liabilities	29	4
Fair value movement on contingent consideration in business acquisition (note 13)	120	297
Finance costs expensed	1,479	554

### Share-based payments expense

Vesting of performance rights relating to business combination	-	846
Director performance rights	2,576	220
Director options	480	-
Issued shares to employees	375	120
Payment in lieu of service	12	-
Total share-based payments expense	3,443	1,186

**Note 7. Trade and other receivables**

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current assets</i>		
Trade receivables	18,620	22,551
Less: Allowance for expected credit losses	(673)	(758)
	<u>17,947</u>	<u>21,793</u>
Other receivables	5,695	4,801
Prepayments	2,494	2,441
	<u>8,189</u>	<u>7,242</u>
	<u><u>26,136</u></u>	<u><u>29,035</u></u>

**Note 8. Intangibles**

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	28,505	28,505
Less: Impairment	(1,734)	(1,734)
	<u>26,771</u>	<u>26,771</u>
Intellectual property - at cost	2,825	2,825
Less: Impairment	(1,892)	(1,892)
	<u>933</u>	<u>933</u>
Customer contracts - at cost	1,591	1,591
Less: Accumulated amortisation	(530)	(371)
	<u>1,061</u>	<u>1,220</u>
Other intangible assets (software and development costs) - at cost	28,889	22,524
Less: Accumulated amortisation	(8,858)	(6,348)
Less: Impairment	(3,629)	(3,629)
	<u>16,402</u>	<u>12,547</u>
	<u><u>45,167</u></u>	<u><u>41,471</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill \$'000	Intellectual property \$'000	Customer relationships \$'000	Other intangibles \$'000	Total \$'000
Balance at 1 July 2025	26,771	933	1,220	12,547	41,471
Additions	-	-	-	6,369	6,369
Exchange differences	-	-	-	(702)	(702)
Amortisation expense	-	-	(159)	(1,812)	(1,971)
Balance at 31 December 2025	<u><u>26,771</u></u>	<u><u>933</u></u>	<u><u>1,061</u></u>	<u><u>16,402</u></u>	<u><u>45,167</u></u>

## Note 8. Intangibles (continued)

### Goodwill and other intangible assets impairment testing

As at 31 December 2025, the Group has undertaken a review for indicators of significant impairment to determine whether a detailed impairment test is required for finite life intangible assets. As a consequence of this review, detailed impairment testing was undertaken with respect to the Asia-Pacific ('APAC') and Europe, Middle East, Africa and America ('EMEA') CGUs. The recoverable amounts of the identified CGUs and other intangible assets have been assessed using the higher of 'fair value less cost of disposal' (FVLCD) and its 'value in use' (VIU). The recoverable amounts were determined under the VIU method, applying a discounted cash flow model, based on a five to seven year project period together with a terminal value approved by management. The forecast budget process was developed based on revenue expectations on existing customer contracts along with ongoing opportunities.

31 December 2025

EMEA  
APAC

	Carrying value	
	Goodwill \$'000	Intellectual property \$'000
EMEA	26,281	933
APAC	490	-
	<u>26,771</u>	<u>933</u>

### Key assumptions

Key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive. The following key assumptions were used in the discounted cash flow models as at 31 December 2025:

	EMEA	APAC
Pre-tax discount rate	17.91%	21.06%
Terminal value growth rate	2.00%	2.00%

Management believes the above-projected revenue growth rate is reasonable based on the following factors:

- (i) New salespeople hired in the local market;
- (ii) Cisco partnership creating increased opportunities across product suite;
- (iii) Tenders already in the pipeline which, if won will create further visibility; and
- (iv) Client opportunities are currently being negotiated.

Based on the above, no goodwill and other intangible assets impairment expense was recorded, since the recoverable amounts of other CGUs exceeded the carrying amounts.

### Sensitivity

The Directors have made judgements and estimates in respect of impairment testing of goodwill and other indefinite life intangible assets. Should these judgements and estimates not occur the resulting goodwill and other intangible assets carrying amount may decrease. Sensitivity analysis has been performed by adjusting underlying assumptions unfavourably by 10%. The analysis indicated that material headroom exists in the value-in-use calculations for EMEA and APAC CGU.

## Note 9. Borrowings

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current liabilities</i>		
Borrowings	6,903	7,815
Insurance premium funding	47	100
	<u>6,950</u>	<u>7,915</u>
<i>Non-current liabilities</i>		
Borrowings	10,419	11,067
	<u>17,369</u>	<u>18,982</u>

Bank loans - the terms of the borrowings are as follow:

Type of facility	Interest rate	Expiry date	Balance \$'000
<b>Current</b>			
Bank loan	4%	Short-term	3,388
Invoice finance	various	Short-term	3,494
Credit cards	various	Short-term	21
			<u>6,903</u>
<b>Non-current</b>			
Bank loan	4%	2026-2036	8,081
Bonds	7%	2035	2,338
			<u>10,419</u>
			<u>17,322</u>

### Insurance premium funding

The facility, used to fund the Group's insurance premiums, has a term of 12 months and is repaid in monthly instalments.

### Assets pledged as security

The bank loans are secured by first mortgages over the Group's assets.

### Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Total facilities		
Borrowings	18,704	29,454
Used at the reporting date		
Borrowings	17,821	18,882
Unused at the reporting date		
Borrowings	883	10,572

### Loan covenants

The bank loans are subject to certain financial covenants and these are assessed at the end of each quarter. The loans will be repayable immediately if the covenants are breached. The Group is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

## Note 10. Issued capital

	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Ordinary shares - fully paid	<u>2,247,463,999</u>	<u>1,767,421,887</u>	<u>78,891</u>	<u>54,565</u>

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2025	1,767,421,887		54,565
Exercise of listed options	25 July 2025	1,000,000	\$0.018	18
Exercise of listed options	1 August 2025	1,000,000	\$0.018	18
Issue of shares to employee and consultants in lieu of bonus	18 August 2025	37,200,000	\$0.050	1,860
Issued of shares in lieu of payment for consulting services	18 August 2025	250,000	\$0.480	12
Exercise of listed options	12 September 2025	7,831,450	\$0.018	141
Exercise of listed options	29 September 2025	9,150,661	\$0.018	165
Conversion of performance rights	3 October 2025	55,600,000	\$0.000	2,624
Exercise of listed options	3 October 2025	17,900,000	\$0.018	322
Issue of shares - placement	6 October 2025	350,000,001	\$0.060	21,000
Exercise of listed options	4 December 2025	110,000	\$0.018	2
Issued capital cost				(1,836)
Balance	31 December 2025	<u>2,247,463,999</u>		<u>78,891</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.

## Note 11. Reserves

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Share-based payments reserve	1,822	932
Foreign currency reserve	(230)	157
Other reserves	3,675	3,675
	<u>5,267</u>	<u>4,764</u>

### Note 11. Reserves (continued)

#### Movements in reserves

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

	Share-based payments \$'000	Foreign currency \$'000	Other reserves \$'000	Total \$'000
Balance at 1 July 2025	932	157	3,675	4,764
Foreign currency translation	-	(387)	-	(387)
Share-based payment	1,025	-	-	1,025
Options exercised	(198)	-	-	(198)
Performance rights granted	2,687	-	-	2,687
Performance rights vested	(2,624)	-	-	(2,624)
Balance at 31 December 2025	1,822	(230)	3,675	5,267

### Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Note 13. Fair value measurement

#### Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 Dec 2025</b>				
<b>Assets</b>				
Listed equity shares at fair value to profit or loss ('FVTPL')	44	-	-	44
Interest rate swap (derivative financial instruments)	-	-	11	11
Total assets	44	-	11	55
<b>Liabilities</b>				
Contingent consideration - rights to be issued	-	-	7,722	7,722
Total liabilities	-	-	7,722	7,722

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 Jun 2025</b>				
<b>Assets</b>				
Listed equity shares at fair value to profit or loss ('FVTPL')	38	-	-	38
Total assets	38	-	-	38
<b>Liabilities</b>				
Contingent consideration - rights to be issued	-	-	7,602	7,602
Total liabilities	-	-	7,602	7,602

There were no transfers between levels during the financial half-year.

### Note 13. Fair value measurement (continued)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

#### Valuation techniques for fair value measurements categorised within level 2 and level 3

Due to the nature of contingent consideration, it have been categorised as Level 3.

Contingent consideration represents the obligation to pay additional amounts to vendors in respect of business acquired by the Group, subject to certain conditions being met. It is measured based on the likelihood of the rights' performance hurdles being met during the periods. The fair value of contingent consideration is calculated on the expected future cash outflows. Generally, the contingent consideration is a performance based payment. These are reviewed at the reporting date to provide the expected future cash outflows for each contract.

#### Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	Contingent consideration \$'000	Interest rate swap \$'000	Total \$'000
Balance at 1 July 2025	7,602	-	7,602
Gain recognised in profit or loss	-	(11)	(11)
Fair value movement on contingent consideration in prior year business acquisition (note 6)	120	-	120
Balance at 31 December 2025	<u>7,722</u>	<u>(11)</u>	<u>7,711</u>

The level 3 assets and liabilities unobservable inputs and sensitivity have been measured based on the likelihood of the performance hurdles being met during the periods.

### Note 14. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2025 (30 June 2025: \$nil).

### Note 15. Earnings per share

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Loss after income tax	(9,308)	(3,744)
Non-controlling interest	393	14
Loss after income tax attributable to the owners of Vection Technologies Ltd	<u>(8,915)</u>	<u>(3,730)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>2,007,659,568</u>	<u>1,259,134,795</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>2,007,659,568</u>	<u>1,259,134,795</u>
	Cents	Cents
Basic earnings per share	(0.444)	(0.296)
Diluted earnings per share	(0.444)	(0.296)

### Note 15. Earnings per share (continued)

19,600,001 (2024: 1) performance rights over ordinary shares under the Group's Long Term Incentive Plan and 364,057,223 (2024: 270,000,000) listed options have not been included in the calculation of diluted earnings per share because they are anti-dilutive. These options could potentially dilute basic earnings per share in the future.

### Note 16. Share-based payments

Shares are granted under the Long Term Incentive Plan ('LTIP'), which has been established by the Group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price and performance conditions) to eligible participants ('awards'). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant. The vesting of the options are contingent upon various company performance and term-of-service metrics.

No employee options were granted during financial half-year ended 31 December 2025 and 31 December 2024 under LTIP.

The share-based payment expense recognised during the period in profit or loss was \$3,443,000 (2024: \$1,186,000) and primarily attributable to the vesting of performance rights.

#### LTIP options and Placement and Broker options

Set out below are summaries of employee options granted under the plan and placement and broker options:

	Number of options 31 Dec 2025	Weighted average exercise price 31 Dec 2025	Number of options 31 Dec 2024	Weighted average exercise price 31 Dec 2024
Outstanding at the beginning of the financial half-year	370,049,334	\$0.000	32,500,000	\$0.250
Granted <sup>1</sup>	31,000,000	\$0.033	-	-
Exercised	(36,992,111)	\$0.003	-	-
Expired	-	\$0.000	(32,500,000)	\$0.000
Outstanding at the end of the financial half-year	<u>364,057,223</u>	\$0.005	<u>-</u>	\$0.000
Exercisable at the end of the financial half-year	<u>364,057,223</u>	\$0.000	<u>-</u>	\$0.000

<sup>1</sup> 11,000,000 options were issued to brokers in lieu of payment with a fair value of \$544,961.  
20,000,000 options were issued to Mr Cameron Petricevic with a total transactional value of \$480,000.

Set out below are the options exercisable at the end of the financial half-year:

Grant date	Expiry date	31 Dec 2025 Number	31 Dec 2024 Number
28/10/2024	11/11/2027	204,073,889	-
06/05/2025	11/11/2027	128,983,334	-
18/08/2025	18/08/2027	1,000,000	-
06/10/2025	13/10/2028	10,000,000	-
27/11/2025	11/11/2027	20,000,000	-
		<u>364,057,223</u>	<u>-</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3 years.

### Note 16. Share-based payments (continued)

For the placement and broker options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/08/2025	18/08/2027	\$0.048	\$0.030	133.20%	-	3.33%	\$0.035
06/10/2025	13/10/2028	\$0.069	\$0.040	102.70%	-	3.43%	\$0.050
27/12/2025	11/11/2027	\$0.033	\$0.018	-	-	-	\$0.024

#### Performance rights

Performance rights are issued to directors and corporate advisor under the Company's LTIP for nil consideration, vesting upon the achievement of performance and term-of-service related criteria.

Set out below are summaries of performance rights granted under the plan:

	Number of rights 31 Dec 2025	Weighted average exercise price 31 Dec 2025	Number of rights 31 Dec 2024	Weighted average exercise price 31 Dec 2024
Outstanding at the beginning of the financial half-year	1	\$0.000	13,100,001	\$0.000
Granted <sup>1</sup>	75,200,000	\$0.000	-	-
Vested <sup>2</sup>	(55,600,000)	\$0.000	-	-
Lapsed	-	-	(13,100,000)	\$0.000
Outstanding at the end of the financial half-year	<u>19,600,001</u>	<u>\$0.000</u>	<u>1</u>	<u>\$0.000</u>
Exercisable at the end of the financial half-year	<u>19,600,037</u>	<u>\$0.000</u>	<u>-</u>	<u>-</u>

<sup>1</sup> On 18 August 2025, the Company issued 75,200,000 performance rights following shareholders' approval on the same date.

<sup>2</sup> As at the date of this report, Class A, B and C Performance Rights have achieved the relevant milestones and converted to fully paid ordinary shares.

The Company granted the performance rights to the following Directors:

Recipients	Class A	Class B	Class C	Total
Gianmarco Biagi	5,666,667	5,666,667	5,666,666	17,000,000
Lorenzo Biagi	4,533,334	4,533,333	4,533,333	13,600,000
Jacopo Merli	5,666,667	5,666,667	5,666,666	17,000,000
Cameron Petricevic	333,333	333,333	333,334	1,000,000
Bert Mondello	2,333,333	2,333,333	2,333,334	7,000,000
<b>Total</b>	<b>18,533,334</b>	<b>18,533,333</b>	<b>18,533,333</b>	<b>55,600,000</b>
<b>Fair Value</b>	<b>\$885,893</b>	<b>\$874,773</b>	<b>\$863,653</b>	<b>\$2,624,319</b>

Recipients	Class D	Class E	Class F	Class G	Total
Gianmarco Biagi	1,750,000	1,750,000	1,750,000	1,750,000	7,000,000
Lorenzo Biagi	1,400,000	1,400,000	1,400,000	1,400,000	5,600,000
Jacopo Merli	1,750,000	1,750,000	1,750,000	1,750,000	7,000,000
<b>Total</b>	<b>4,900,000</b>	<b>4,900,000</b>	<b>4,900,000</b>	<b>4,900,000</b>	<b>19,600,000</b>
<b>Fair Value</b>	<b>\$235,200</b>	<b>\$235,200</b>	<b>\$235,200</b>	<b>\$235,200</b>	<b>\$940,800</b>

### Note 16. Share-based payments (continued)

Each Performance Right converts into 1 fully paid ordinary share upon vesting and will expire five years from the date of issue. The terms and conditions applicable to each class of Performance Rights are outlined below:

#### Class A performance rights

18,533,334 performance rights each converting into shares on a one for one basis upon the Company achieving an average market capitalisation of A\$80 million or more over a 5-trading day period.

#### Class B performance rights

18,533,333 performance rights each converting into shares on a one for one basis upon the Company achieving an average market capitalisation of A\$100 million or more over a 5-trading day period.

#### Class C performance rights

18,533,333 performance rights each converting into shares on a one for one basis upon the Company achieving an average market capitalisation of A\$120 million or more over a 5-trading day period.

#### Class D performance rights

4,900,000 performance rights each converting into shares on a one for one basis upon the audited EBITDA of the Company for HY1 of the 2025/2026 financial year being equal to or greater than A\$1,000,000.

#### Class E performance rights

4,900,000 performance rights each converting into shares on a one for one basis upon the audited EBITDA of the Company for HY2 of the 2025/2026 financial year being equal to or greater than A\$2,000,000.

#### Class F performance rights

4,900,000 performance rights each converting into shares on a one for one basis upon the audited EBITDA of the Company for HY1 of the 2026/2027 financial year being equal to or greater than A\$2,000,000.

#### Class G performance rights

4,900,000 performance rights each converting into shares on a one for one basis upon the audited EBITDA of the Company for HY2 of the 2026/2027 financial year being equal to or greater than A\$3,500,000.

The value of the Class A, B and C Performance Rights were estimated using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian Model.

Input	Class A	Class B	Class C
Spot price	\$0.0480	\$0.0480	\$0.0480
Exercise price	Nil	Nil	nil
Share price target	\$0.0443	\$0.0554	\$0.0664
Barrier price	\$0.0530	\$0.0663	\$0.0795
Expected volatility	104%	104%	104%
Performance rights term	5 years	5 years	5 years
Risk-free interest rate	0.11%	0.11%	0.11%
Dividend yield	Nil	Nil	Nil
Interest rate	3.51%	3.51%	3.51%
Grant Date Fair Value per right	\$0.0478	\$0.0472	\$0.0466

The Class D, E, F and G Performance Rights were valued using the grant date share price of \$0.0480 as the per-security value.

### Note 17. Events after the reporting period

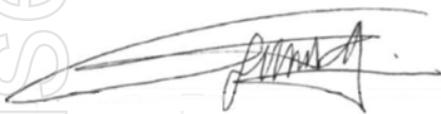
No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr Gianmarco Biagi  
Managing Director and CEO



Mr Jacopo Merli  
Executive Director and COO

27 February 2026

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VECTION TECHNOLOGIES LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Vection Technologies Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vection Technologies Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Vection Technologies Limited financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss after tax of \$9,308,000 during the half year ended 31 December 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Responsibility of the Directors for the Financial Report

The directors of the Vection Technologies Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**HALL CHADWICK WA AUDIT PTY LTD**



**CHRIS NICOLOFF FCA**  
**Director**

Dated this 27<sup>th</sup> day of February 2026  
Perth, Western Australia