VECTION TECHNOLOGIES

# Artificial Intelligence Connects Digital and Physical Worlds

November 2024

# Who We Are

- Vection Technologies Ltd (ASX: VR1, OTC: VCTNY) connects the digital and physical worlds using Artificial Intelligence, improving how businesses operate and serve customers.
- We deliver solutions that combine AI with Extended Reality (XR) to enable smarter decision-making, seamless collaboration, and immersive experiences.
- Our solutions include AI-powered data analysis, virtual reality training, real-time 3D visualisation, and digital twins, which are used to enhance workflows, improve customer engagement, and streamline operations.
- We work across diverse sectors, offering tailored high-tech solutions to meet specific industry needs.

# Transforming Possibilities with AI, XR, and Spatial Computing

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**AI**
Real-World Data, Data, Images, Text, Video,
Pixels, Voxels, Wearer Data, Digital Assets, etc.

**Innovative tech that merges the digital and physical worlds for immersive, data-driven solutions**

Real-time Analytics
Generative AI
Predictive Insights.

**Integrating AI, XR, and Spatial Computing for Enterprise Solutions**

AR, VR, MR Experiences
Immersive Environments
Virtual Collaboration

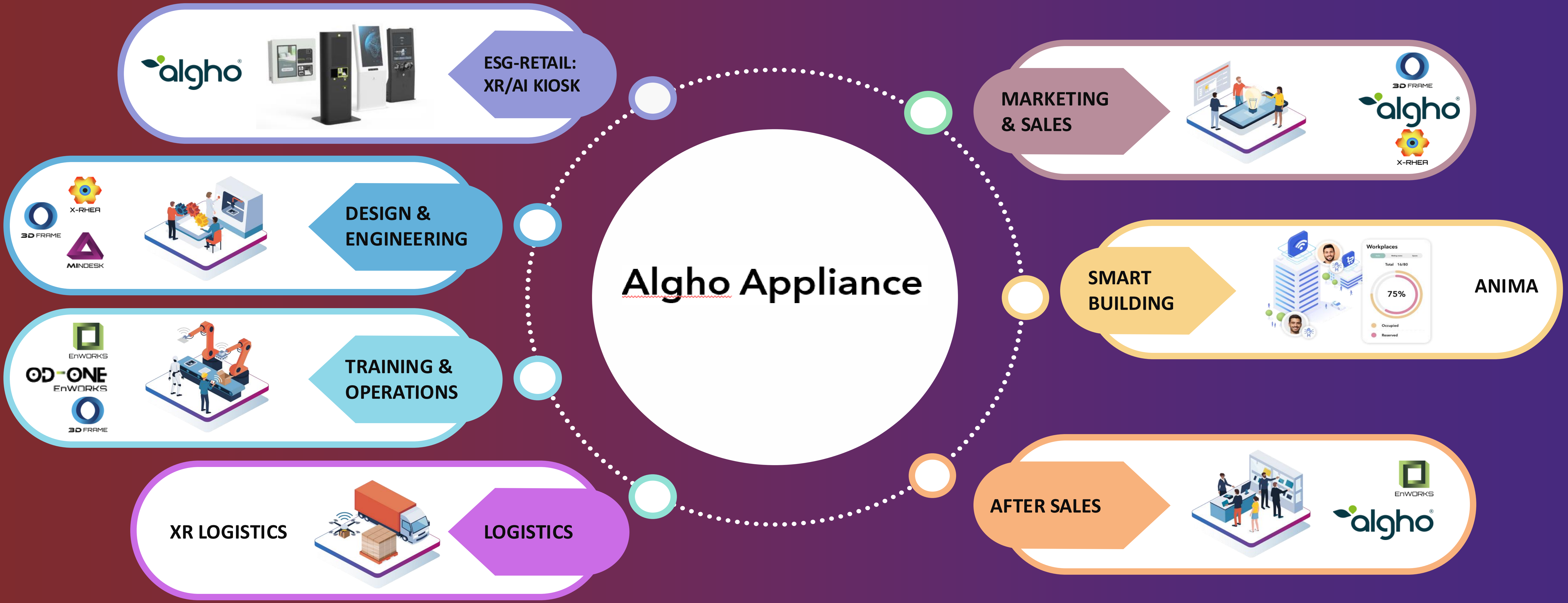
Digital Twins
IoT Integration
Simulations.

**SPATIAL COMPUTING & XR**
Head-Mounted Displays (HMDs), Pins, Wearables, Robots, Sensors, Cameras, Audio Devices, Input Devices, Processing Units, etc.

**HARDWARE INTEGRATED SOLUTIONS**
Operating Systems, AI (including Generative AI), Computer Vision, Content Creation Software, Development Tools, Tracking and Calibration Software, Cloud Services, Games Engines, etc.

# Algho: AI-Powered Ecosystem for Enterprise Growth

The Algho Appliance is an on-premise AI Platform to support operational processes and customer experience. The platform combines AI, VR, and AR across the business value chain. Importantly, Algho is self manageable for clients, scalable, cost efficient and interface agnostic. The technology's combination of advanced open-source frameworks encourages open collaboration and integration, future proofing its application.



# Ecosystem recognised by global customers

# Supported by key partners

| SOFTWARE | INTEGRATORS | HARDWARE |
| --- | --- | --- |
| webex by cisco | accenture | DELL Technologies PLATINUM PARTNER |
| AUTODESK. | NTT DATA | POSIFLEX |
| DASSAULT SYSTEMES | LUTECH | VARJO |
| Rhinoceros | DXC TECHNOLOGY | VIVE |

# Technology Advantage

### Integrated AI and XR Ecosystem

- Vection offers a unique, all-in-one ecosystem that combines AI, Virtual Reality, and Augmented Reality, allowing seamless integration across the entire business value chain.

### Ecosystem for B2B and Public Sector

- Our technology is designed specifically for professional applications in B2B and Public Administration, making it adaptable and highly relevant to enterprise needs.

### SmartXR: All-in-One Solution

- SmartXR integrates hardware, real-time 3D data, and AI to create an immersive, data-driven experience for smarter decision-making.

### Spatial Computing and IoT Integration

- Supports real-time data analysis through spatial computing and IoT, ideal for advanced applications like digital twins and simulations.

# Cometa – Case Study

***Educational Sector***

Vection Technologies has provided its XR-based ecosystem to Cometa to extend the potential of educational institutions' training offerings, specifically **enhancing school laboratories**.

- Agreement with Cometa structured over a 3-year period
- Revenue includes:
  - Licences for teachers and students
  - Content and software for teachers and students
  - Remote assistance
  - Software updates
- Cometa committed to selling the project to 500 institutions.
- Expected revenue: $3.6m in subscription revenue over FY25

SERVICE PROVIDED

Training

Project Presentation

Content Delivery

BENEFITS

Enhanced Learning Experience

Comprehensive Support

# Trenitalia – Case Study

***Transportation Sector***

Vection Technologies has provided solutions to Trenitalia to strengthen its training offerings, specifically enhancing on the job training.

**SERVICE PROVIDED**

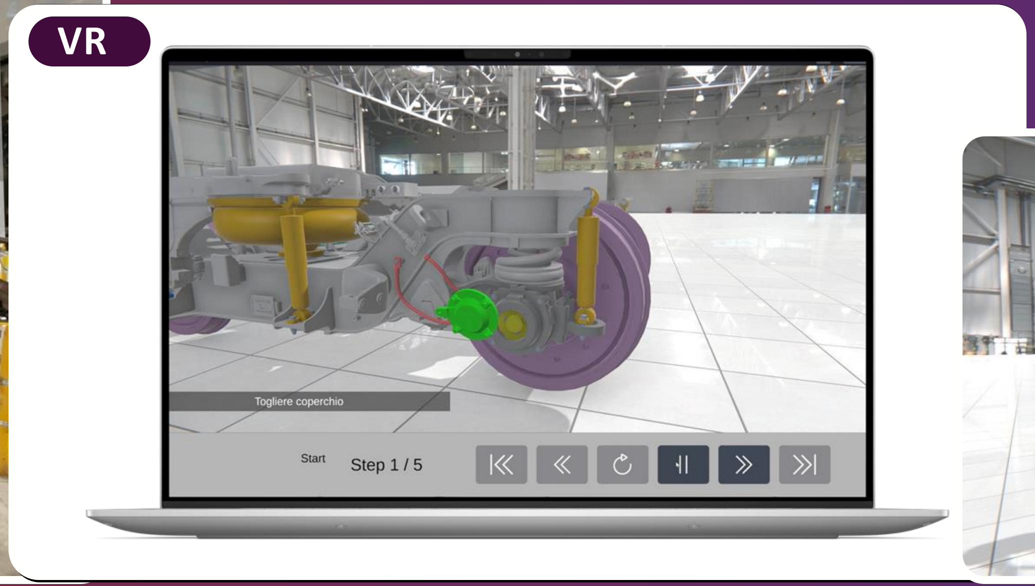
- **Scene Modeling and development of procedures**
- **Virtual Environment for creating operational scenes**

**BENEFITS**

- **Learning Speed and Improvements training processes**
- **Enhanced safety and enable remote training**
- **Increased operator safety and equipment protection**

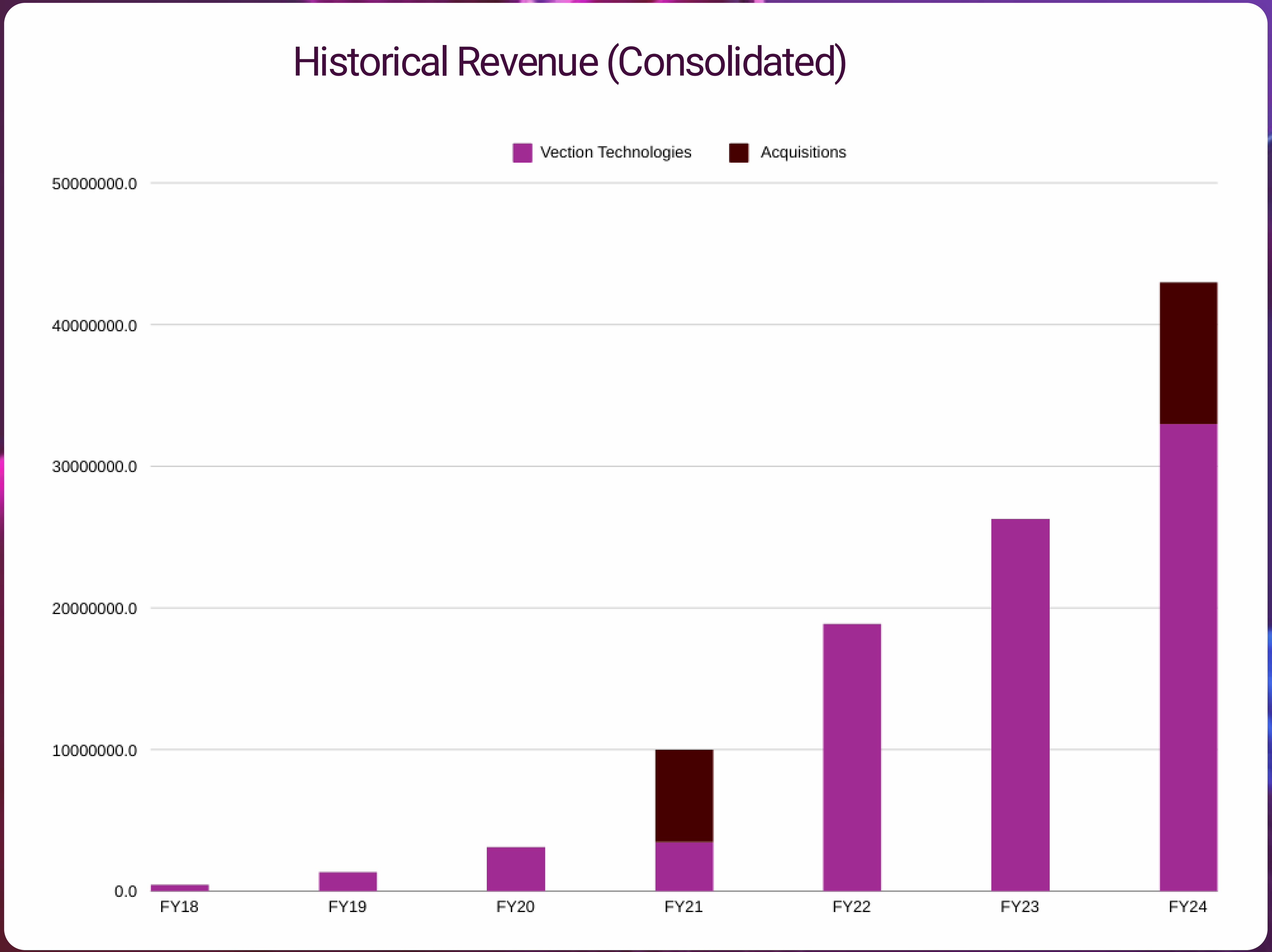
## Revenue Structure

Revenue is generated through a **3-year contract** worth a cumulative **328,845 AUD**.


# Financial Information

# Financial Performance History (2018-2024)




- **Consistent Growth**: Revenue steadily increased from $500K in FY18 to $43M in FY24. (including pro-forma TDB)
- **High CAGR**: The impressive growth rate from FY18 to FY24 reflects Vection's successful expansion.
- **Scalable Market Strategy**: Growth from $500K to $44M pro-forma combined in FY24 shows Vection's scalable model in high-tech markets.

# Strong Start to FY25

### Q1 Revenue

**+32%**

Q1 FY25 pro-forma unaudited revenue was ~$8m, up ~32% vs ~$5m in Q1 FY24. (including TDB)

### Q1 forward revenue

**$7m**

At 30 September, forward contracted revenue was ~$7m, including TDB.

### Q1 Recurring Revenue

**24%**

Q1 FY25 recurring revenue, pro-forma with TDB.

### Recurring Revenue growth

**140%**

Q1 FY25 recurring revenue, pro-forma with TDB, was ~24%, compared to ~10% for the full FY24

# A history of successful acquisitions

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**Founded as ServTech Global Holdings (2016):**
- Listed on ASX (ASX: SVT).
- Focused on IT services and digital transformation.
- Provided outsourced IT solutions to various industries.

**Strategic Shift: Officine 8K Acquisition (2019):**
- Acquired Officine 8K, expanding into AR/VR software.
- Shifted focus from IT to immersive digital solutions.
- Enhanced capabilities in virtual reality and augmented reality.

## $0.5m Revenue

**Rebranding to Vection Technologies (ASX: VR1):**
- Rebranded in November 2019 to align with the new focus.
- Focused on AR/VR solutions for industries like manufacturing, retail, and real estate.

**Acquisition of Mindesk (2020):** Added real-time CAD and VR capabilities for design and engineering.

**Acquisition of JMC Group (2021):** Expanded AI and digital twin capabilities.

**Acquisition of Blank Canvas(2021):** Expanded 3D offerings for the property sector

**Acquisition of Invrsion (2023):** Strengthened VR solutions for retail experiences.

**Acquisition of MYR (2024):** Enhanced Digital Prototyping platform for Fashion Industry.

**Acquisition of The Digital Box (2024):** Integrated generative AI for advanced XR capabilities.

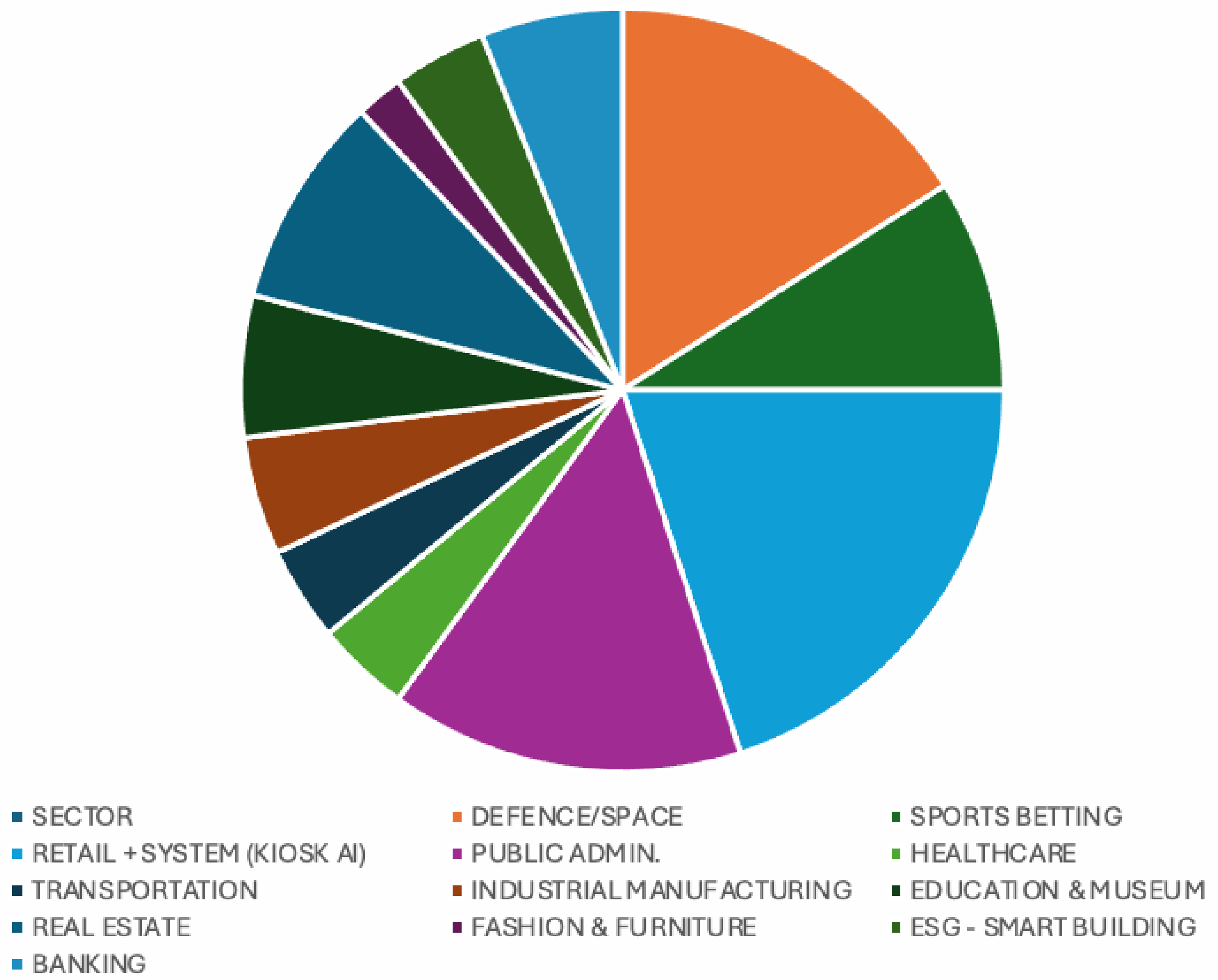
## $43m Revenue*

* Pro-forma including TDB acquisition.

# Rationale Behind Key Acquisitions

| Acquisition | Key Contribution | Synergies | Strategic Alignment |
|---|---|---|---|
| **Vection (2019)** | Entry into AR/VR software development | Shift from IT to immersive technologies | Foundation for transition to XR solutions |
| **Mindesk (2020)** | Real-time CAD and VR integration | Enhances 3D design and engineering workflows | Supports advanced design capabilities in XR platforms |
| **Blank Canvas (2021)** | ArchViz expertise and real estate visualisation | Provides tailored 3D, VR, and AR solutions for AEC & Real Estate | Enhances growth & expands 3D offerings for the property sector |
| **JMC Group (2021)** | AI and digital twin capabilities | Improves data analysis, simulations, and digital models | Aligns with AI-driven XR solutions for enterprise clients |
| **Invrsion (2023)** | Virtual retail and 3D product visualization | Strengthens retail offerings with immersive experiences | Expands presence in the retail sector with tailored XR |
| **MYR (2023)** | Spatial computing and collaboration tools | Enhances virtual meetings and teamwork capabilities | Complements Spatial Computing focus for enterprise clients |
| **The Digital Box (2024)** | Generative AI for XR platforms | Adds AI-driven personalisation and interactivity | Boosts user engagement and customisation in XR solutions |

## FY25 Revenue mix by sector*

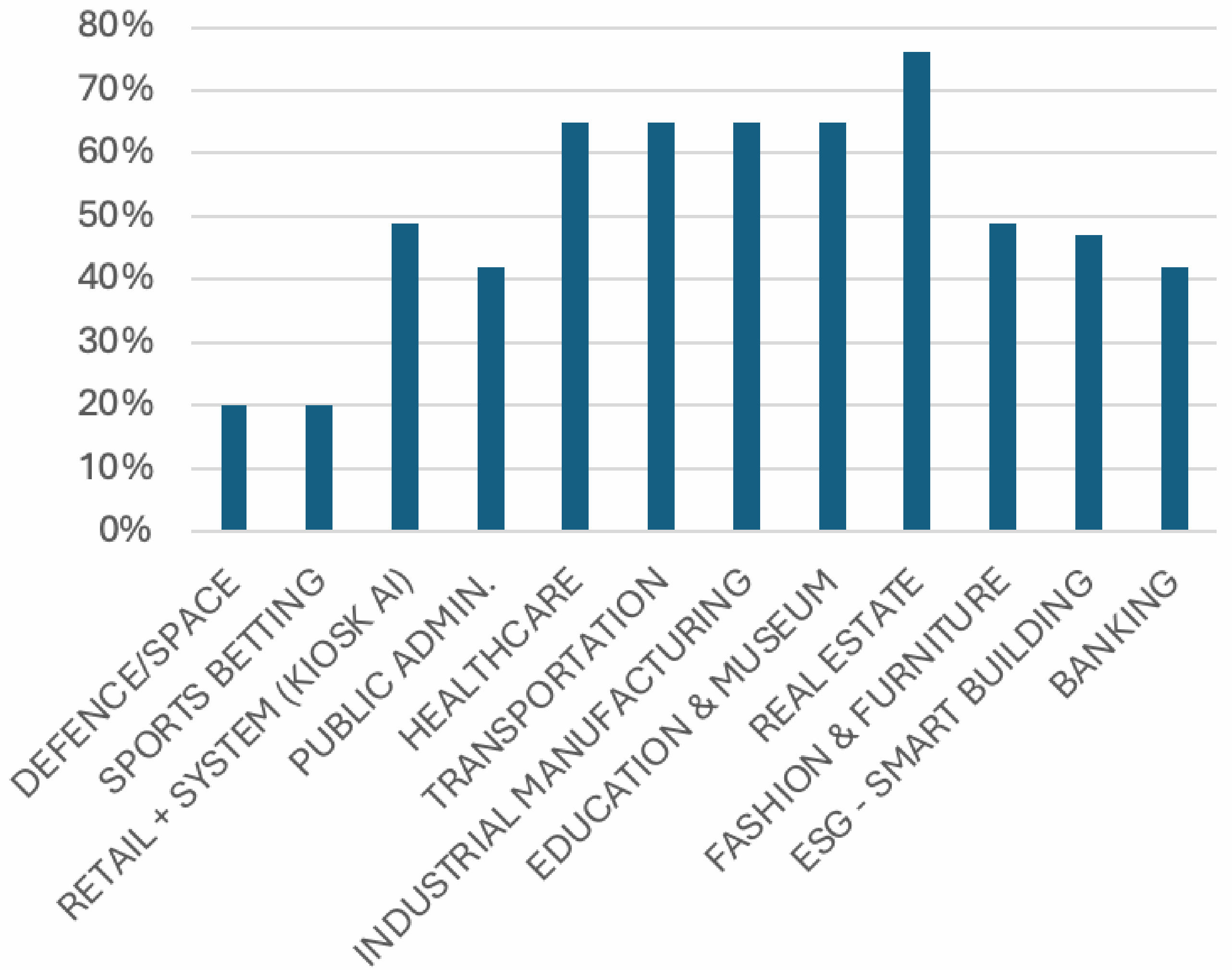



**FY25 revenue** mix is led by Retail + System (Kiosk AI) at **20%**, followed by Defence/Space at **16%** and Public Administration at **15%**.

- Other sectors, such as Sports Betting and Real Estate, also contribute meaningfully, though at lower percentages.

The diversified portfolio highlights focus areas, with substantial allocations in technology-driven and public sectors, alongside targeted growth opportunities in smaller segments.

## FY25 Revenue GP % by sector*

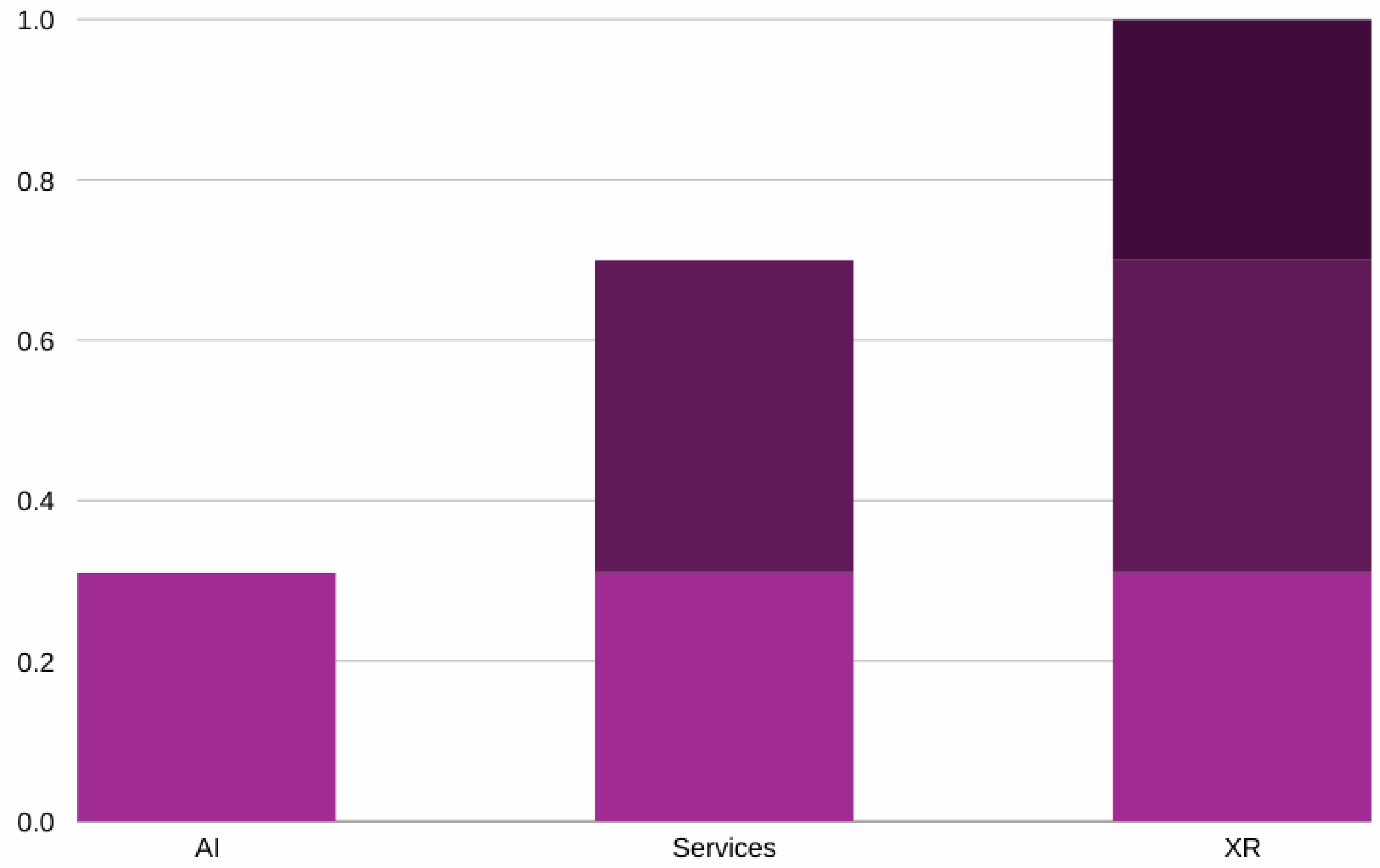



**Gross profit margins** vary significantly by sector:

- High profitability seen in Real Estate at **76%**, followed by sectors like Healthcare, Transportation, and Industrial Manufacturing at **65%.** Retail + System (Kiosk AI) and Fashion & Furniture sectors maintain solid profitability around **49%**.
- While Defence/Space currently shows lower margins at **20%**, this reflects the company's ongoing efforts to cement its position in a competitive and high-investment sector. Margins in Defence/Space are expected to increase over time as the division matures and benefits from improved operational efficiencies and scale.

*Forecast

# FY25 Revenue mix by solution*




**Forecasted for FY25:**
- AI at 31%
- Services at 39%
- XR at 30%.

The Services segment includes integration fees and hardware necessary for solution implementation. Significant growth in AI for FY25 reflects current market trends.

*Forecast

# Partnering with DELL for Algho AI

# DELL TECHNOLOGIES

Leveraging Dell's entire salesforce to promote Vection's ecosystem, particularly Algho AI. Through this partnership, Vection gains access to Dell's expansive market reach, joint marketing initiatives, and co-hosting opportunities at major international events. With shared communication strategies and Dell's trusted brand presence, Vection's solutions are effectively positioned to reach Dell's clients worldwide, amplifying visibility and market adoption.

## KEY Advantages

This partnership provides extensive EMEA and international market coverage, streamlining and accelerating the deal-making process. With a formal go-to-market approach through Dell's distribution network, our joint sales efforts become more efficient, supported by Dell's established direct purchase interactions.

Vection Tech → Dell pre-sales → Target End User / Industries → Sales/Account on client → VT / DELL → Proposal → Add proposal on Dell Catalogue

## Revenue Structure

Revenue generation with Dell follows a **reselling model**, not a commission-based structure

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# Algho’s Future Proof Configurations

The Algho Appliance offers different configurations to match client’s existing and future needs.

Current installations can be easily empowered with a plug-an-play configuration or integrate with a third party solution.

DELL Technologies

NVIDIA

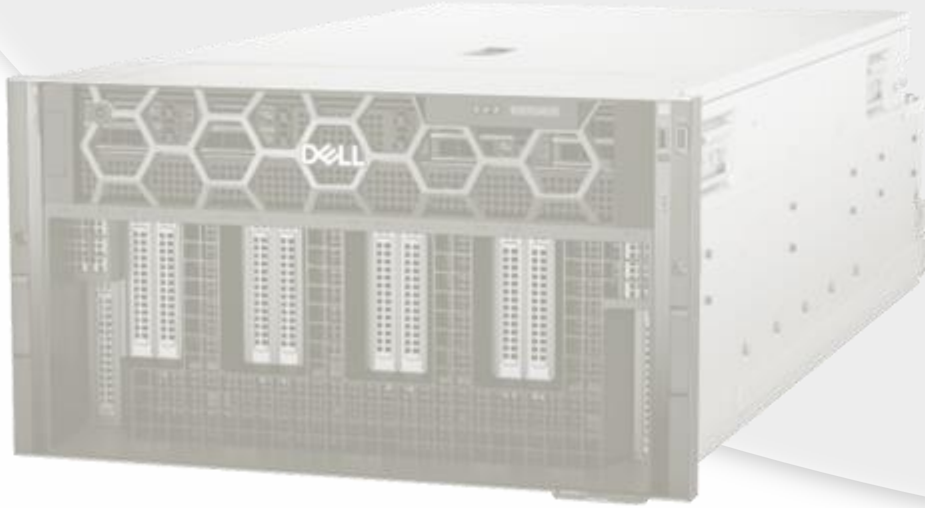
## ALGHO 4 EDGE

**DELL XR4520c**
Dual Node up to x2 NVIDIA L4 per node (24 GB RAM each)
***coming soon***

**DELL R760XA**
x4 NVIDIA H100 NVL (94 GB RAM each)
***ready to buy***

## ALGHO 4DC

**DELL XE9680**
x8 NVIDIA HGX H200 SXM5 (141 GB RAM each)
***coming soon***



# Challenges & Solutions

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*By 2027, more than half of the GenAI models used by enterprises will be domain-specific (industry or business function), up from 1% today. – Gartner 04.2024*

*By 2028, the adoption of AI services specifically designed for sustainable business will grow to 20%, up from less than 5% today. - Gartner 04.2024*

**Source: Gartner**

Leverage the potential of generative AI while **maintaining governance of your company data and ensuring privacy** by design of your AI-based applications

Close the Knowledge Gap needed to master AI technologies and everything it needs to function successfully **on-premise**

**Challenge:**
Ensure that **data is secure, private, accurate** available and usable.
**Solution:**
GDPR COMPLIANCE, API BASED, 100% INTEGRABLE

**Challenge:**
Ensure **quality control** over AI output for internal and external information services
**Solution**:
PROPRIETARY TECHNOLOGIES (like Machine Learning, LLM Finetuned, NLP)

**Challenge:**
**Avoid sharing your data**, information on business processes or your customers' data, sending information outside your organization using external Conversational and Generative AI services.
**Solution:**
ON-PREMISE SOLUTION

# Key advantages

With this solution, you can develop your own specialized AI using advanced AI technologies that do not rely on online versions. Here are the key benefits:

- Ensure data is **secure, private, accurate**, fast, accessible, and usable
- Creation of fine-tuned **LLMs tailored** to specific tasks and sectors
- Achieve **100% accuracy** through on-premise installation
- This solution is **fully integrable** with various systems, such as ERP, CRM, and more
- Allow documents to function **directly on the device**, resulting in fast and precise LLMs
- Expect **high-quality results** with a significant reduction in errors

# Which sectors are most involved?

| Sector | Documents | Benefits |
| --- | --- | --- |
| **Finance** | AP/AR -Invoices - Contracts | ○ Automate data extraction and verification from documents<br>○ Enhance monitoring, compliance, and risk management |
| **Healthcare** | Medical records - Health insurance forms - Diagnostic reports | ○ Improve access to patient information<br>○ Facilitate **medical review and analysis** |
| **Logistics** | Shipping documents - Transportation invoices - Warehouse documents | ○ Digitize and organize warehouse documents to enhance **traceability and operational efficiency** |
| **Manufacturing** | Supplier invoices - Purchase orders - Compliance documentation | ○ **Reduce errors** and accelerate the procurement process<br>○ Improve accounts payable efficiency |
| **Government** | Identity documents - Regulatory and legal documents | ○ Improve identity verification efficiency<br>○ **Speed up approval processes** |
| **Education** | Educational materials - Evaluation documents | ○ Facilitate access and distribution of educational resources<br>○ **Simplify information access and result analysis** |
| **Utilities** | Utility bills - Supply contracts | ○ Improve efficiency and reduce errors<br>○ Streamline contract management |

**Scalability: Applicable across all industries with a structured and sensitive knowledge base.**

# Tiers and Pricing

| Product Tier | Target | Upfront Revenue | Year 1&2 subscription | From Year 3 subscription |
|---|---|---|---|---|
| **ALGHO4EDGE** | **B2B, B2G (Medium)** | **Avg $200k** | $50k | $70k |
| **ALGHO** | **B2B, B2G (Large)** | **Avg $400k** | $60k | $70k |
| **ALGHO4DC** | **B2B Cloud Providers** | **Avg $1.1m** | $130k | $170k |

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# Corporate Information

# Financial Performance History (2018-2024)

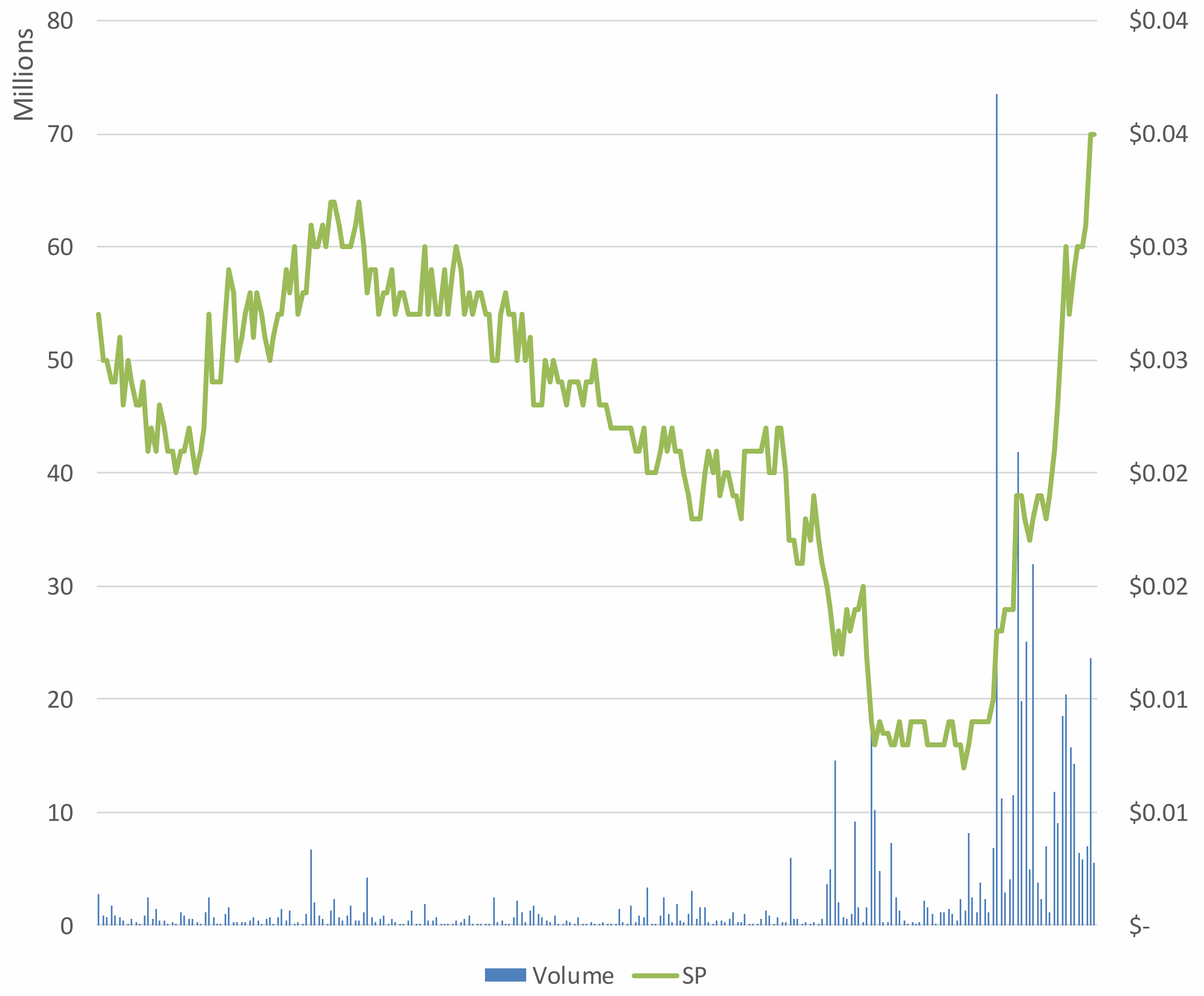
## Corporate Snapshot

| | | |
|---|---|---|
| **VR1** | Fully Paid Ordinary Shares | 1,327m |
| **VR1** | TDB Consideration to be issued | 357m |
| **VR1** | Fully Diluted | 1,684m |
| **Share Price** | | $0.036 |
| **Market Cap** | Fully Diluted | $61m |
| **Cash at bank** | 30-Sep-24 | $4.8m |

**Other securities:**

| | | |
|---|---|---|
| **VR1O** | Options expiring 11 Nov 2025, Ex. $0.018 | 270m |
| **VR1AA** | Performance Rights | 23.3m |
| **VR1AN** | Option expiring 3 Dec 2024, Ex. $0.25 | 32.5m |
| **VR11** | Performance Rights (TDB) | 34 |

## 12 months Share Price Performance



# Board of Directors

## Marco Landi
*Proposed Chairman*
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 Settepuntonove Holding, with 20+ years expertise in manufacturing & new technologies.

## Jacopo Merli
*Executive Director & COO*
founder of JMC Group, acquired by Vection, with experience in critical sectors like military & telco.

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

## Bert Mondello
*Non-Executive Director*
Non-Exec Director, tech and corporate advisor with 20+ years in public & private sectors, expertise in investor relations + strategy.

## Gianmarco Orgnoni
*Non-Executive Director*
Expertise in corporate finance and advisory, spanning civil, tech, engineering and biotech sectors.

## Derek Hall
*Company Secretary*
Company Secretary, finance expert with extensive experience in process improvement, tech, mining, oil & gas, and compliance.

# 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 urisdictions. 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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# THANK YOU

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