



# Vection Technologies

Information Memorandum

*March 2025*



**Transforming tomorrow.  
The power of AI & XR.**

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[LINK](#) to the latest version of our corporate video

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# 1

## Executive Summary

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- Corporate Governance
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- Products Offered
- Services Offered
- Investment Opportunity
- Market Overview

## Company Overview (1/2)



**Vection Technologies Ltd (ASX: VR1)** is a global operating company specializing in the integration of **Extended Reality (XR)** and **Artificial Intelligence (AI)**, **listed on the Australian Stock Exchange**. The company focuses on developing innovative, data-driven enterprise solutions that seamlessly bridge the digital and physical worlds, for BtB & professional. Through its proprietary INTEGRATEDXR platform, Vection enables organizations to integrate XR technologies such as **Virtual Reality (VR)**, **Augmented Reality (AR)**, and **Mixed Reality (MR)** into their business processes.

A core focus of the company is the combination of XR and AI to create immersive, intelligent applications. This integration enhances the efficiency of workflows, enables real-time data-driven decision-making, and provides a scalable foundation for digital transformation initiatives. **Vection's solutions are applied across various industries**, including healthcare, education, transportation, and public administration, to drive operational efficiency and foster innovation.

The company's **product portfolio** includes applications such as digital twins, AI & avatar, real-time 3D visualizations, and virtual collaboration platforms. These technologies help businesses optimize their processes by providing real-time data and creating interactive environments that improve collaboration and decision-making. **Vection's XR** based tools are designed to integrate seamlessly with existing enterprise systems while leveraging AI capabilities to automate workflows and optimize resource utilization.

Vection follows a clear strategy to expand the adoption of XR and AI in the business world. Its solutions target existing industry partners as well as small and medium-sized enterprises (SMEs) and larger enterprise clients globally. A particular emphasis is placed on the practical application and scalability of these technologies.

The company positions itself as a leader in combining XR and AI to drive technological advancements in business and support organizations in adapting to an increasingly digital and data-driven economy.



**Foundation**  
2019

**Headquarters**  
Perth, Australia  
Bologna, Italy

**Employees**  
+200 globally

**Proforma Revenues 2024**  
\$ 44,3 mln

**Proforma EBITDA adj 2024**  
\$ +10k

**Total Asset 2024**  
\$ 46,6 mln

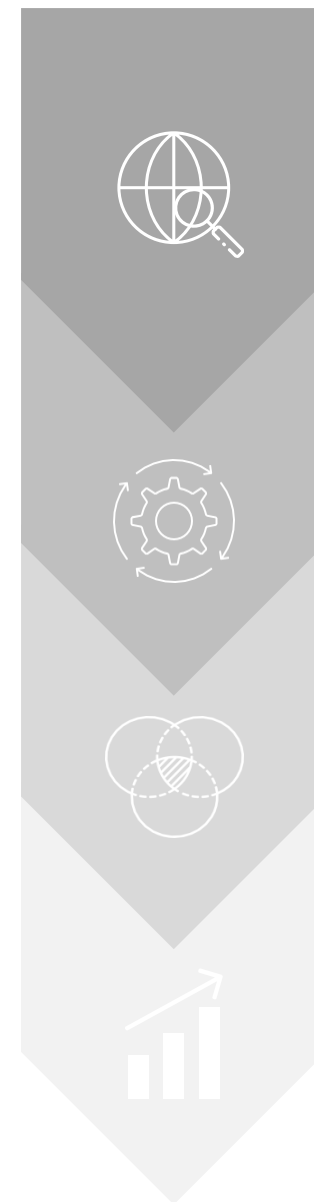
### Key Growth Strategy Metrics:

- **70% of revenue is generated through organic growth**, driven by upselling, cross-selling, and geographical expansion to tap into new markets.
- 30% of revenue growth is achieved through acquisitions, enabling the company to gain access to new technological capabilities and target industries.
- **15-18% of revenue is allocated to research and development (R&D)**, fostering continuous innovation and ensuring a competitive edge in the technology sector.

### Vection Technologies' Growth Strategy

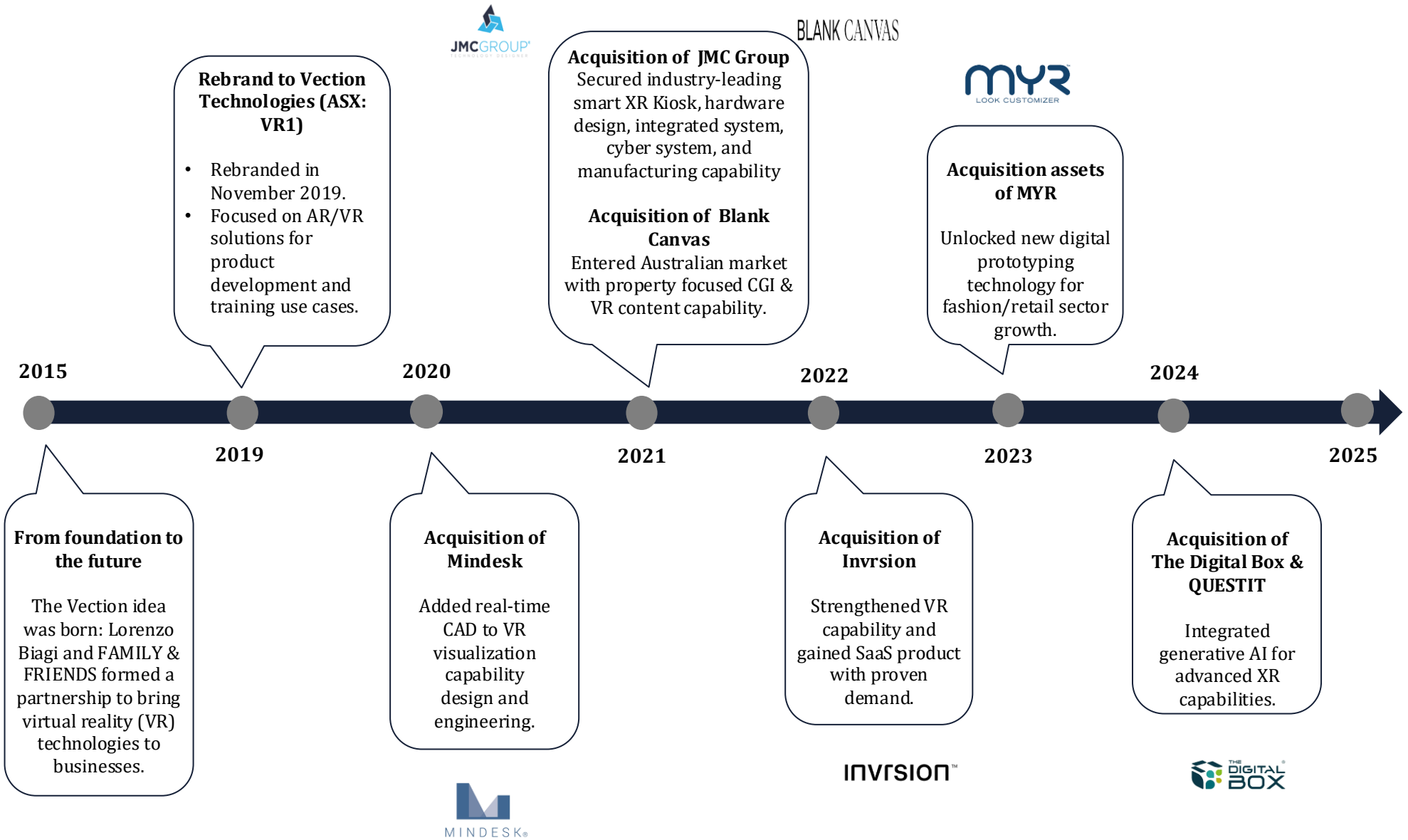
Vection Technologies follows a structured and targeted growth strategy, which unfolds in four key phases:

1. Acquire: The company actively seeks and acquires businesses, technologies, and expertise that can strengthen its portfolio of solutions and expand its presence in new markets.
2. Enhance: After acquisition, the focus shifts to enhancing technological and operational capabilities, integrating new expertise to increase the value of the solutions offered.
3. Integrate: The acquired innovations and businesses are seamlessly integrated into the company's ecosystem, ensuring synergy and alignment with the overall strategy.
4. Commercialization: finally, the solutions are presented to the market through targeted sales strategies, exploiting both the existing network of customers and new business opportunities, in the European, Australian and American markets, towards TIER1 customers and through collaborations with large partners of the caliber of DELL TECHNOLOGIES, CISCO, ACCENTURE, NTT DATA.



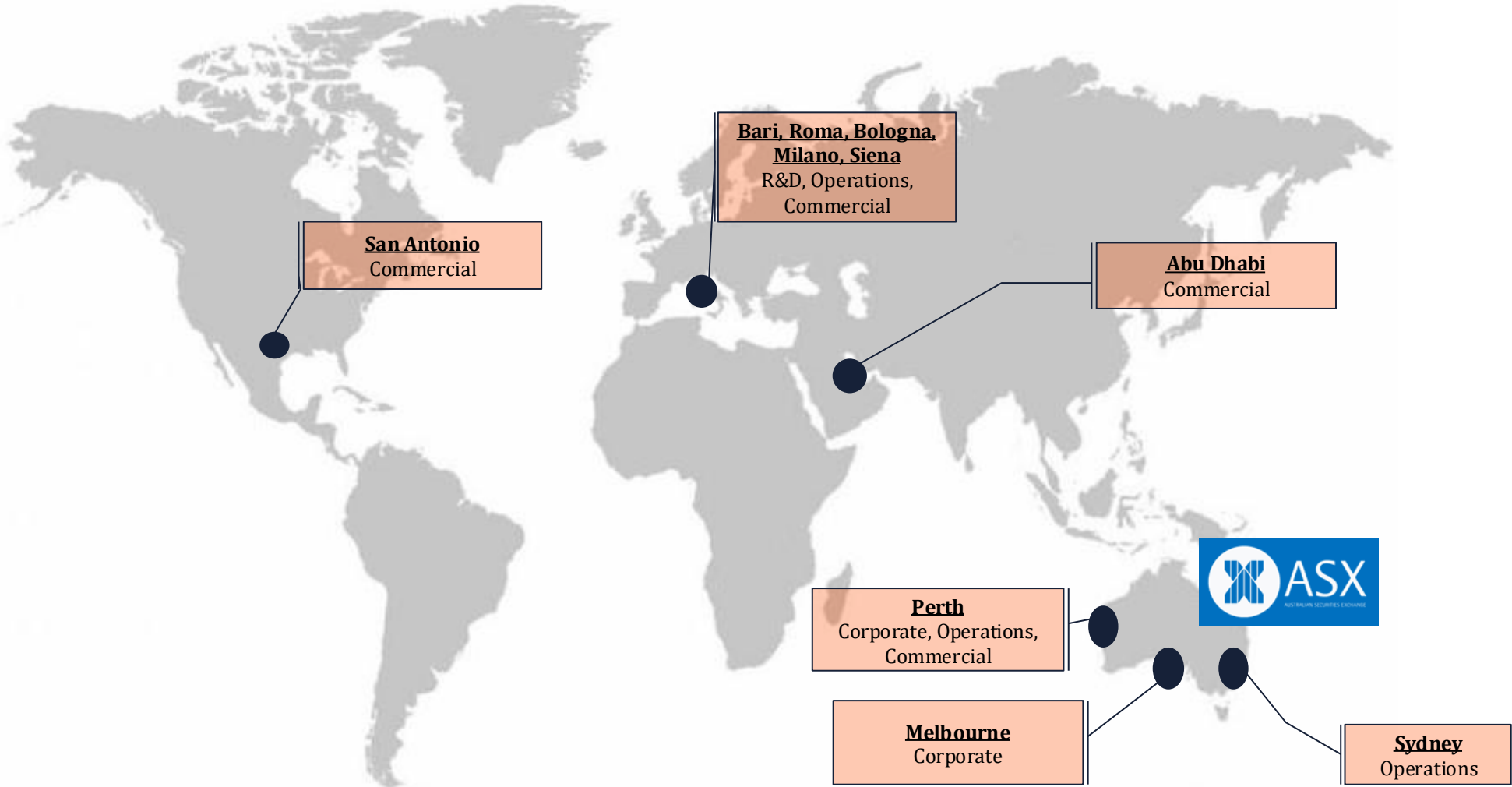


# Timeline (1/3)



# Global Offices

Vection primarily operates through its operational headquarters located in Italy. Additionally, the company has established agreements with global partners to ensure access to a logistical network across various key territories essential for product sourcing.



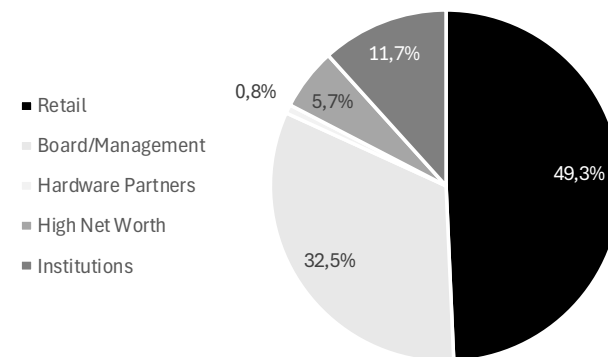
# Shareholding Distribution

The chart illustrates the distribution of shareholding ownership within Vection Technologies, highlighting the different categories of shareholders and their respective percentage holdings.

## Breakdown of Shareholding Ownership (%):

- **Retail Investors:** 49.3% – Representing nearly half of the company's total shares, retail investors hold the largest portion of the ownership.
- **Board & Management:** 32.5% – A significant stake is held by the company's board members and executive management, demonstrating their vested interest in Vection Technologies' success.
- **High Net Worth Individuals:** 5.7% – This category comprises wealthy private investors who hold a notable portion of the shares.
- **Institutional Investors:** 11.7% – Institutional stakeholders, such as investment funds, banks, and pension funds, account for a substantial portion of ownership.
- **Hardware Partners:** 0.8% – A small fraction of ownership is held by strategic hardware partners, likely contributing to the company's technological and operational infrastructure.

Holding Ownership (%)



Source: Company Data



## Marco Landi

Independent Non-Executive  
Chair

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



## Gianmarco Biagi

Managing Director & CEO

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



## Derek Hall

Company Secretary

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



## Cameron Petricevic

Independent Non-Executive  
Director

With over 20 years of experience  
in the financial industry as an  
executive and board member of  
private and ASX-listed companies.  
Qualified Actuary (AIAA) and a  
graduate of the Australian  
Institute of Company Directors  
(GAICD).



## Lorenzo Biagi

Executive Director

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



## Paul Clayton

General Manager,  
Blank Canvas Studios

CEO, APAC, Vection Technologies –  
responsible for Vection's Australian  
commercialisation strategy.



## Jacopo Merli

Executive Director & COO

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

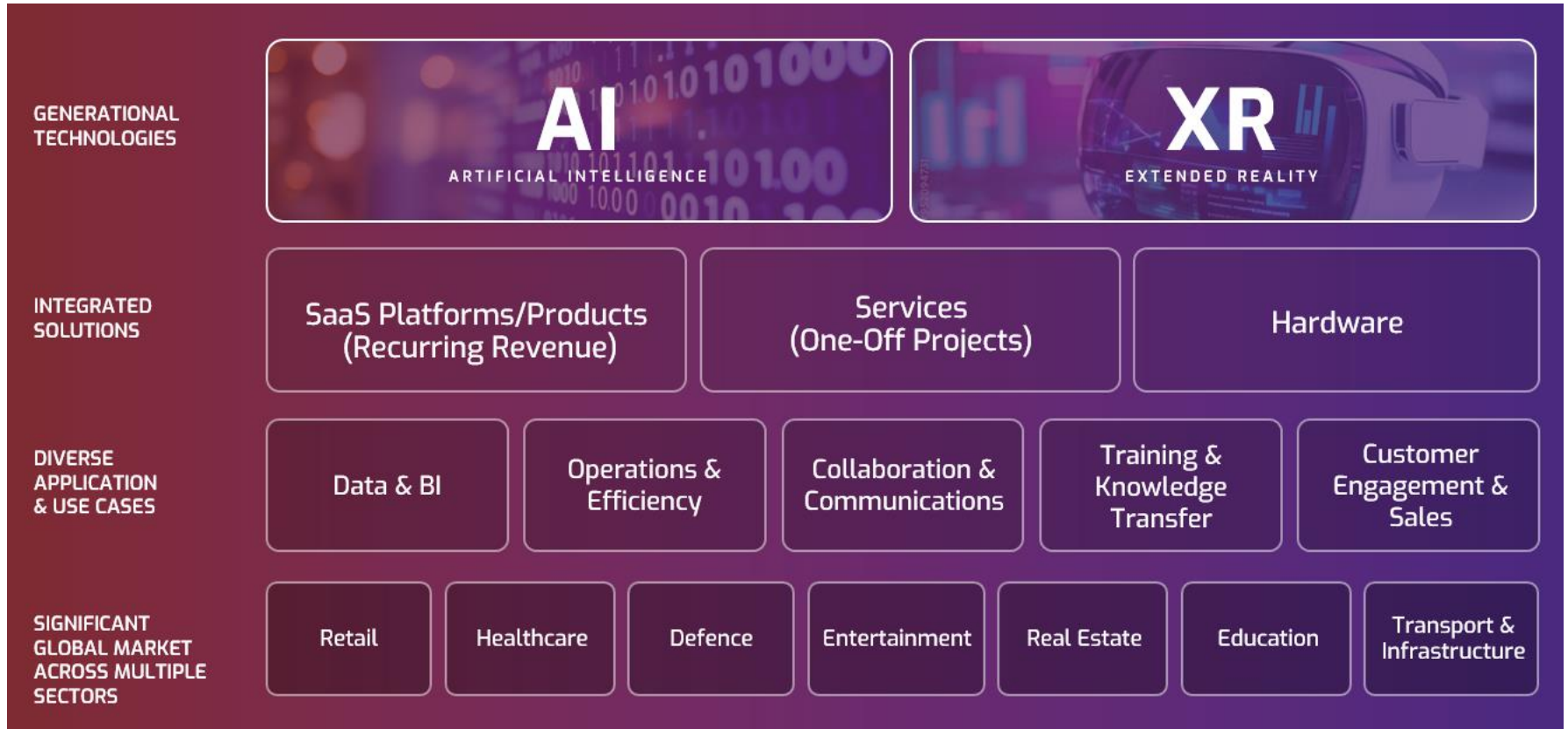


## Bert Mondello

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

# Value Proposition

Vection's value proposition consists of offering customized and highly efficient technological solutions for clients.



Vection's product suite addresses modern business challenges by offering immersive and interactive solutions that improve collaboration, streamline workflows, and enhance customer engagement. Each product is designed to fulfill specific needs, integrating XR, 3D, and cutting-edge technologies to drive innovation and operational efficiency.



### **Mindesk: Transforming Design and Collaboration**

Mindesk enables real-time interaction with 3D models in immersive VR environments, helping design teams collaborate efficiently and reduce errors in complex projects. It is ideal for industries where precision, collaboration, and fast iteration are critical, such as architecture, engineering, and manufacturing.



### **Enworks: Bridging Hybrid and Remote Work Needs**

Enworks is tailored for organizations adapting to hybrid or remote work models, providing customized, interactive virtual workspaces that foster productivity and engagement. It bridges the gap between remote and in-person collaboration, helping teams maintain operational efficiency regardless of location.



### **3D Frame: Accessible Immersive Experiences**

3D Frame enables businesses to create and share interactive 3D content directly via a web browser. This eliminates the need for specialized software or hardware, making immersive experiences more accessible to diverse audiences. It is ideal for retail, education, and event management sectors where engaging and scalable solutions are critical.



### **XR Kiosk: Enhancing On-Site Customer Interaction**

XR Kiosk is designed for physical locations such as retail stores, trade shows, and exhibitions, offering immersive AR/VR-powered customer interactions. It helps businesses create memorable experiences that increase engagement and strengthen brand loyalty.



### **3D Configurator: Enhancing Product Visualization and Customization**

The 3D Configurator empowers businesses with real-time 3D and AR product customization, enabling customers to visualize and personalize products directly from the web or mobile devices. This interactive tool improves engagement, reduces product returns, and enhances decision-making by offering a true-to-life representation of products in real-world environments. Ideal for e-commerce, manufacturing, and retail, it streamlines the purchasing experience while driving higher conversion rates.



### **Algho: Revolutionizing AI-Powered Interactions**

Algho is an advanced conversational AI platform that seamlessly integrates with custom hardware and enterprise systems to deliver human-like interactions. With context-aware responses, API-first architecture, and self-managed dashboards, Algho enhances customer service, automates business processes, and enables AI-driven virtual avatars. Ideal for retail, enterprise automation, and training applications, it empowers businesses with scalable, intelligent, and immersive AI solutions.

Vection provides a range of services to complement its AI- and XR-driven solutions, helping businesses fully harness their potential. Through consulting, custom development, system integration, training, and technical support, Vection ensures seamless implementation, scalability, and value creation.

**System integration** connects Vection's platforms, like Algho, with existing enterprise systems, allowing businesses to leverage current infrastructure while adopting cutting-edge technologies. Comprehensive training programs enhance employee proficiency, streamlining onboarding and maximizing the impact of AI and XR solutions.

**Ongoing technical support** ensures long-term performance and reliability. Vection's team assists with troubleshooting, updates, and optimization, keeping solutions aligned with evolving business needs. Partnerships with industry leaders also ensure access to the latest AI and XR advancements, helping clients stay competitive.

**Consulting services** focus on identifying the most effective AI and XR applications for each client's needs. By analyzing workflows and business goals, Vection tailors solutions to deliver measurable outcomes. For specialized demands, custom development creates bespoke XR experiences and advanced AI integrations to align with operational objectives.



## **AI and XR Driving the Next Stage of Growth**

Vection is revolutionizing enterprise operations with its integrated Algho platform, which combines Generative AI, Extended Reality (XR), and IoT. The platform enables real-time data analysis, immersive experiences, and smarter decision-making. Through a strategic partnership with Dell Technologies, Algho is being introduced across sectors such as education, transportation, and healthcare, showcasing its transformative potential.

## **Addressing a Broad Market & Expansive Global Market Opportunity**

Algho is an on-premise AI platform designed for businesses of all sizes, from SMEs to large corporations. By integrating AI, VR, and AR across the value chain, Algho empowers organizations to adopt advanced technologies. Its self-manageable, scalable, cost-efficient, and interface-agnostic design ensures accessibility for clients regardless of resources or infrastructure complexity. Leveraging open-source frameworks, Algho promotes collaboration, seamless integration, and adaptability to evolving business needs, unlocking efficiency and productivity gains.

## **Experienced Leadership Driving Innovation**

Vection's management team, led by CEO Gianmarco Biagi, brings deep expertise in AI, XR, and enterprise solutions. Strategic partnerships, including collaboration with Dell Technologies, further enhance Vection's position as a leader in AI-powered enterprise solutions.

## **AI and XR Revolutionizing Business**

The integration of Generative AI and XR is reshaping enterprise operations, driving unprecedented productivity gains. Platforms like VR1's Algho position Vection Technologies as one of the few listed companies capitalizing on this shift.

## **Strong history of financial growth; emerging profitability**

Positive EBITDA and positive operative cash flow since FY 2024. Revenues CAGR >100% over 6 years

## **Innovative and Scalable Solutions**

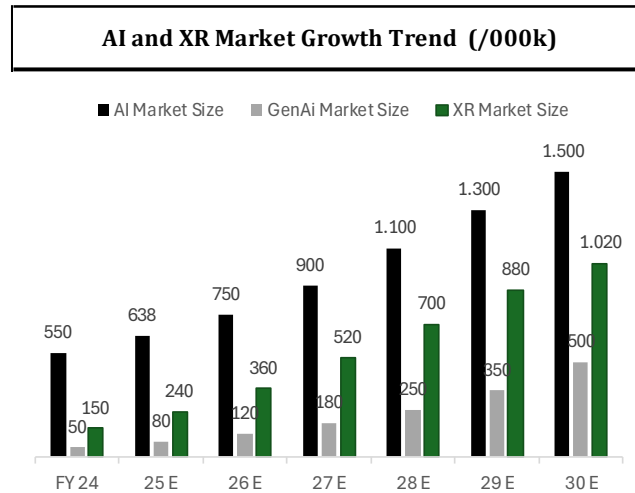
Businesses are increasingly adopting AI and XR tools to automate workflows, enhance collaboration, and gain real-time insights. Algho is expected to drive significant adoption and revenue growth, reinforcing its valuation potential.

## The Global AI and XR Market: Growth Projections and Key Drivers

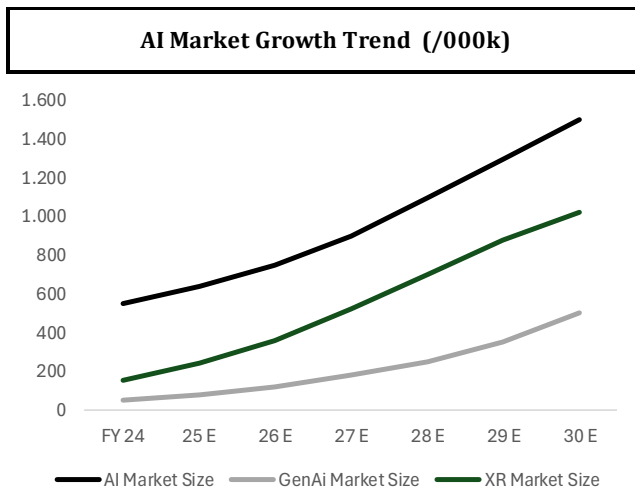
The global Artificial Intelligence (AI) market is expected to reach US\$638 billion by 2024, with a compound annual growth rate (CAGR) of 19%. Within this, the Generative AI (GenAI) segment is projected to grow at an impressive CAGR of 42%, reaching US\$80 billion, according to Bloomberg Intelligence. The global AI market is experiencing exponential growth, driven by the widespread adoption of AI technologies across various sectors, including healthcare, finance, manufacturing, and retail. Increasing investments from tech companies and governments, along with advancements in data processing and computational power, are contributing to this rapid expansion. At the same time, the Extended Reality (XR) market—which encompasses Virtual Reality (VR), Augmented Reality (AR), and Mixed Reality (MR)—is also experiencing significant growth. According to Grand View Research, "The XR market is expected to grow to over \$1 trillion USD by 2030, with a CAGR of 27.7%." This growth is being fueled by increasing enterprise adoption, technological advancements, and expanding applications in industries such as gaming, healthcare, education, and remote work solutions.

### AI and XR Market Segmentation

AI encompasses various subfields, including Machine Learning (ML), Natural Language Processing (NLP), Computer Vision, and Generative AI (GenAI). The latter, in particular, is emerging as one of the fastest-growing segments due to its ability to autonomously generate text, images, audio, and video content. The GenAI market, estimated to reach \$80 billion by 2024, is fueled by the adoption of advanced models like GPT, DALL·E, and Stable Diffusion, used in applications ranging from marketing and digital creativity to assisted programming.



Source: Bloomberg Intelligence



Source: Bloomberg Intelligence

Similarly, the XR market is evolving rapidly, with key developments in hardware (AR/VR headsets, spatial computing devices), software platforms, and AI-powered immersive experiences. As AI-driven solutions enhance XR environments, industries are leveraging these technologies for virtual training, remote collaboration, interactive simulations, and immersive e-commerce experiences.

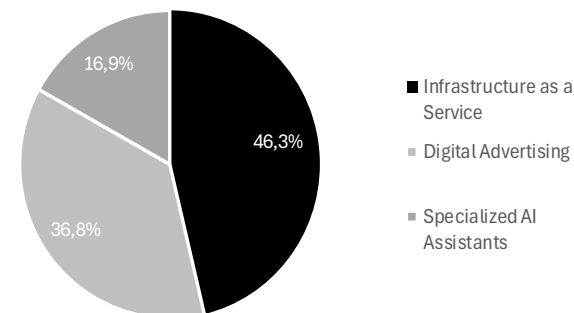
### Future Outlook

By 2030, the AI market could surpass \$1.5 trillion, significantly impacting global productivity. The integration of AI with other emerging technologies, such as the Internet of Things (IoT), 5G, and Blockchain, will create new application opportunities, making AI a key component of global digital transformation. Meanwhile, the XR industry is on track to exceed \$1 trillion, reshaping sectors such as enterprise solutions, education, digital twin technology, and the metaverse. The convergence of AI and XR will enable more intuitive, intelligent, and responsive immersive experiences, driving innovation across multiple industries. Despite immense opportunities, both AI and XR markets face challenges, including:

- **Ethical concerns and biases** in AI models.
- **Regulatory scrutiny and governance** for responsible AI and XR applications.
- **Privacy and security risks** associated with AI-powered XR experiences.
- **Hardware limitations** in delivering seamless, ultra-realistic XR environments.

However, with continuous technological advancements and growing awareness of these industries' potential, AI and XR are poised to revolutionize the global economy in the coming years.

Generative AI Market Segmentation 2030 %

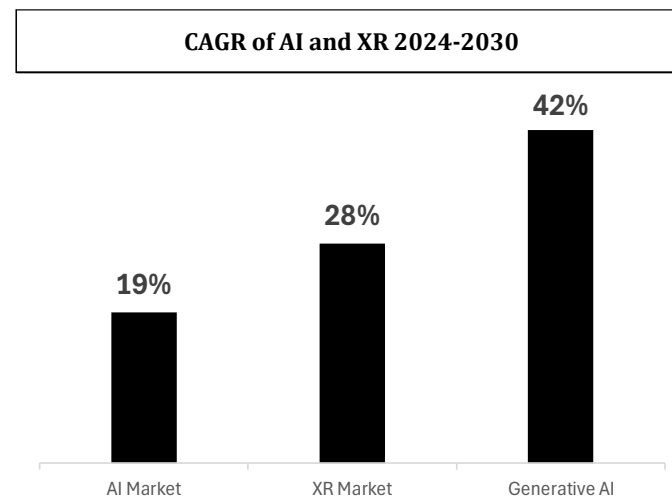


Source: Bloomberg Intelligence

## Key Growth Drivers

The rapid expansion of AI, Generative AI and XR markets is being driven by several factors:

- **Enterprise Adoption:** Businesses are integrating AI and XR solutions to enhance automation, efficiency, remote collaboration, and user experiences.
- **Investments and Funding:** AI and XR startups are receiving significant venture capital investments, while major tech firms are accelerating R&D efforts to dominate these markets.
- **Advancements in AI Hardware and XR Devices:** The evolution of GPUs, specialized AI chips, and high-performance AR/VR headsets is making AI processing faster and XR experiences more immersive.
- **Regulation and Governance:** Governments and organizations are developing AI and XR policies to balance innovation with ethical considerations (OECD AI Policy Observatory, European AI Act, and XR Privacy Regulations). As AI and XR continue to intersect, we can expect smarter, more interactive, and seamless digital experiences that redefine how people work, learn, and engage with technology.



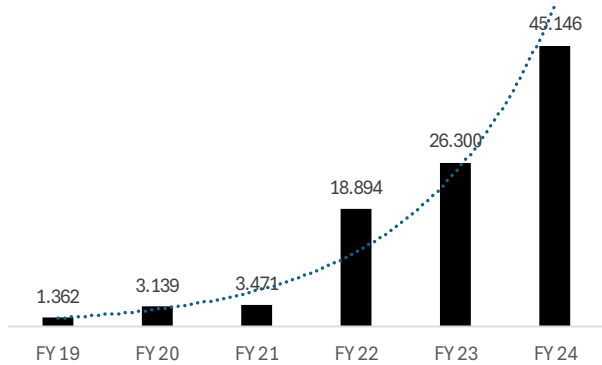
Source: Bloomberg Intelligence

## 2

### Financial Highlights

- Operating and Financial KPIs
- P&L 2019A – 2025 H1
- KPIs P&L 2019A – 2025 H1
- Balance Sheet 2019A – 2025 H1
- KPIs Balance Sheet 2019A – 2025 H1
- Cash Flow 2020A – 9M2025
- KPIs Cash Flow 2020A – 9M2025
- Half-Year Performance

## Revenues Trend (/000)

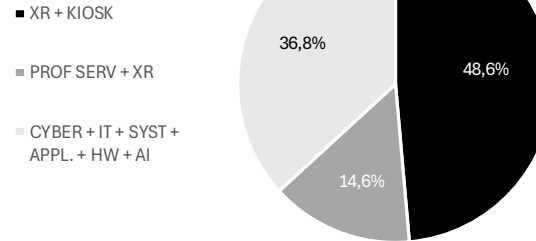


Source: Company Data

### Consistent Growth

- FY24 revenue circa \$45.1m, including \$10m from The Digital Box acquisition.
- 101% CAGR over 6 years.

## Revenue Composition %

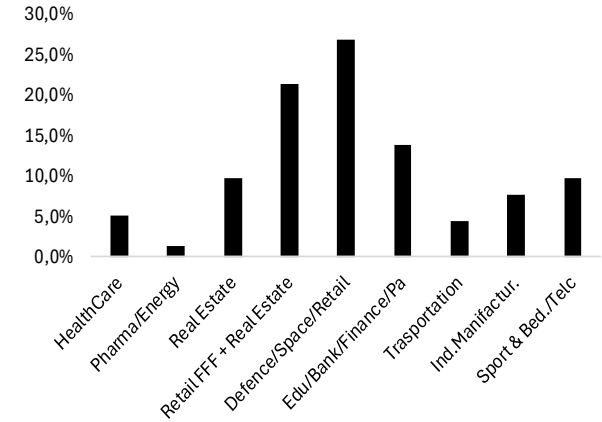


Source: Company Data

### Vection's revenue split

- XR Platforms, Licenses, Recurrungs, Packages, Kiosk
- Professional Services, Consultancy, Customizations, Training
- Cyber System, Appliance, HW, AI

## Revenue by Industry %



Source: Company Data

- Defence/Space/Retail and Retail FFF/Real Estate contracts account for 49% of global revenue at present.
- Real estate, Healthcare and Edu/Bank/Finance/Pa represent strong growth potential in the coming 2-3 years.

PROFIT AND LOSS (X 1000 AUD)	2019 A	2020 A	2021 A	2022 A	2023 A	2024 A	2024 PRO FORMA TDB	2025 H1	2025 H1 PRO FORMA TDB
<b>Total Revenues</b>	<b>1.362</b>	<b>3.139</b>	<b>3.471</b>	<b>18.894</b>	<b>26.300</b>	<b>34.291</b>	<b>45.146</b>	<b>12.953</b>	<b>18.889</b>
<i>YtY %</i>		130%	11%	444%	39%	30%	72%	(62%)	
<b>Total Expenses</b>	<b>(5.865)</b>	<b>(4.301)</b>	<b>(5.801)</b>	<b>(25.827)</b>	<b>(37.268)</b>	<b>(43.954)</b>	<b>(57.439)</b>	<b>(16.772)</b>	<b>(23.691)</b>
<i>%</i>	(431%)	(137%)	(167%)	(137%)	(142%)	(128%)	(127%)	(129%)	(125,4%)
<b>EBT</b>	<b>(4.503)</b>	<b>(1.162)</b>	<b>(2.330)</b>	<b>(6.933)</b>	<b>(10.968)</b>	<b>(9.663)</b>	<b>(12.293)</b>	<b>(3.819)</b>	<b>(4.803)</b>
<i>%</i>	(331%)	(37%)	(67%)	(37%)	(42%)	(28%)	(27%)	(29%)	(25%)
<b>EBITDA</b>	<b>(4.318)</b>	<b>(591)</b>	<b>(1.561)</b>	<b>(5.880)</b>	<b>(9.723)</b>	<b>(6.381)</b>	<b>(4.963)</b>	<b>(2.341)</b>	<b>(1.726)</b>
<i>%</i>	(317%)	(19%)	(45%)	(31%)	(37%)	(19%)	(11%)	(18%)	(9%)
<b>EBITDA Underlying</b>	<b>(877)</b>	<b>181</b>	<b>(654)</b>	<b>(1.011)</b>	<b>(1.502)</b>	<b>(1.015)</b>	<b>403</b>	<b>55</b>	<b>670</b>
<i>%</i>	241%	241%	241%	241%	241%	241%	241%	241%	4%
<b>PAT</b>	<b>(4.503)</b>	<b>(1.164)</b>	<b>(2.443)</b>	<b>(7.100)</b>	<b>(11.023)</b>	<b>(9.999)</b>	<b>(12.633)</b>	<b>(3.744)</b>	<b>(4.520)</b>
<i>%</i>	(331%)	(37%)	(70%)	(38%)	(42%)	(29%)	(28%)	(29%)	(24%)

Source: Company Data

## **EBITDA Underlying**

The EBITDA Underlying is EBITDA net of::

- **Acquisition cost M&A;**
- **Impairment of assets and receivable;**
- **Share based payments.**

# Half-Year Performance and Q3 2025 cash flow highlights



Vection Technologies has achieved remarkable financial growth in the first half of the fiscal year 2025 (1H25), showing significant increases in revenue, recurring revenue, and operating cash flow, alongside a strong committed revenue pipeline, highlighting a robust growth trend towards positive cash flow and EBITDA in the Company's sixth year of life.

## Key Financial Highlights

### FY25 Half-Year Revenue: +59.6% Growth

- The company generated **\$17.4 million** in revenue for the first half of FY25, representing an impressive 59.6% increase compared to \$10.9 million in the same period of FY24.

### Recurring Revenue: +204% Increase

- Recurring revenue surged by an outstanding 204%, demonstrating the company's ability to **drive long-term revenue streams** and enhance financial stability.
- Recurring revenue now accounts for 34% of the 1H25 Pro Forma unaudited revenue

### Operating Cash Flow: Positive Shift to +\$0.1M

- Positive operating cash flow of \$0.1 million, marking a significant improvement from the previous year's loss of (\$1.2 million) in the same period.
- In **Q3 2025** operating cash flow continue to be positive amounting to 2,3 mln. The improvement over the last quarter reflects stronger operational performance and more efficient working capital management. This positive trend enhances our financial flexibility and supports the company's ongoing growth initiatives.

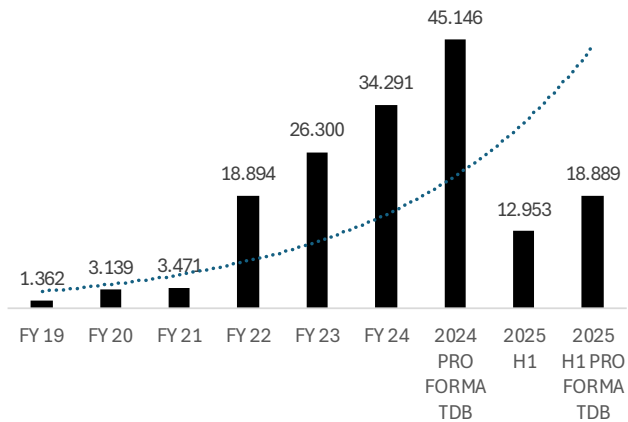
### Committed Revenue: \$31.6 Million

- Vection Technologies secured \$31.6 million in total contract value as of 1H25, reflecting a strong pipeline of secured deals and future revenue streams.

These half-year results solidify Vection Technologies' strong financial trajectory, driven by robust revenue growth, increased recurring revenue, improved cash flow, and a solid contract base.

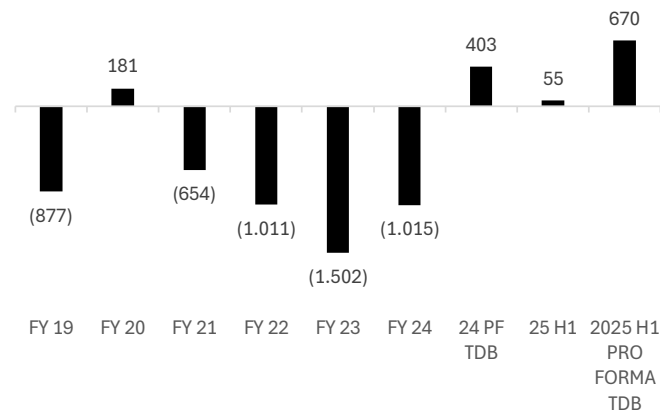


**Revenues Trend (/000)**



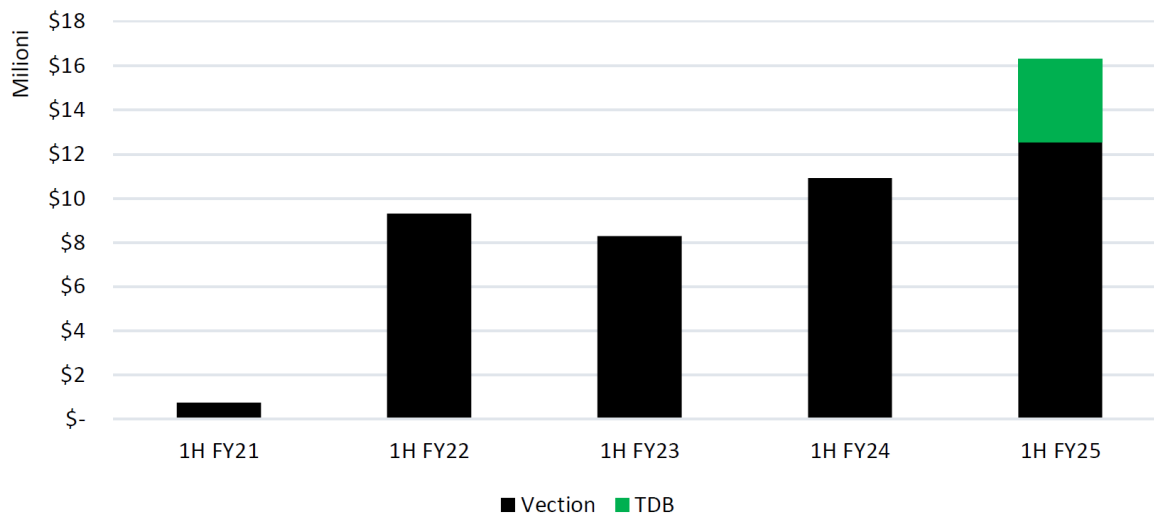
Source: Company Data

**EBITDA Underlying Trend (/000)**

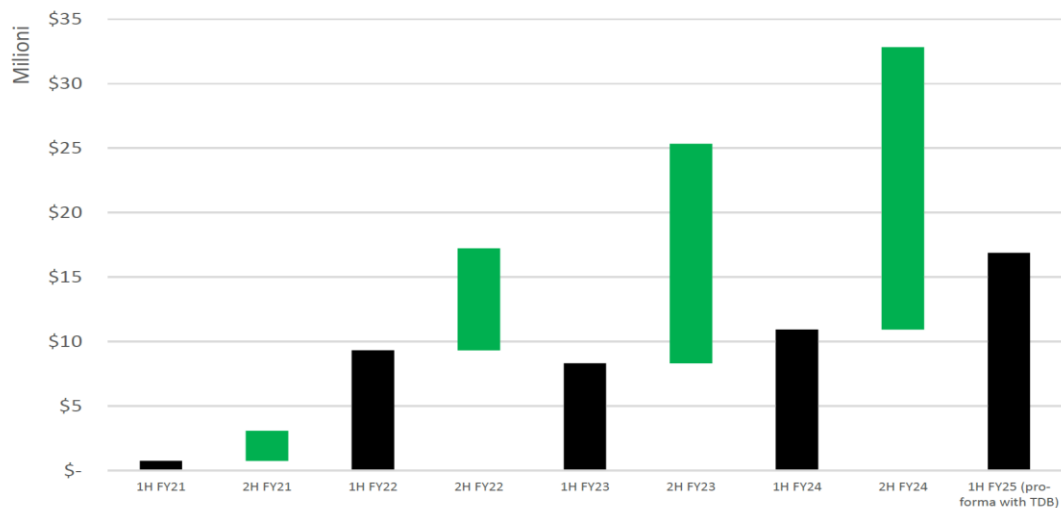


Source: Company Data

First half revenue growth since 1H FY 2021, including the pro forma from TDB Acquisition



First and second half – year revenue growth since FY 2021 to date, including the pro forma revenue from TDB acquisition for FY 25



# Balance Sheet 2019A – 2025 H1

BALANCE SHEET ( X 1000 AUD)	2019 A	2020 A	2021 A	2022 A	2023 A	2024 A	2024 PRO FORMA TDB	2025 H1	2025 H1 PRO FORMA TDB
<b>Assets</b>									
<b>Current assets</b>									
Cash and cash equivalents	797	1.585	7.084	14.869	11.359	7.602	8.429	3.112	3.466
Trade and other receivables	1.458	2.150	4.879	6.208	13.648	14.905	21.425	10.603	20.202
Income tax receivable			17						
Inventories			1.084	1.341	676	1.339	1.486	1.288	2.082
<b>Total current assets</b>	<b>2.255</b>	<b>3.734</b>	<b>13.063</b>	<b>22.419</b>	<b>25.683</b>	<b>23.846</b>	<b>31.339</b>	<b>15.003</b>	<b>25.750</b>
<b>Non-current assets</b>									
Property, plant and equipment	90	77	240	293	15.622	536	841	494	903
Right-of-use assets		571	632	424	550	135	135	67	501
Intangibles assets	6.139	11.793	19.437	17.028	163	21.638	29.743	23.785	31.882
Financial assets		52	63	41	84	52	581	27	76
<b>Total non-current assets</b>	<b>6.229</b>	<b>12.493</b>	<b>20.372</b>	<b>17.785</b>	<b>16.419</b>	<b>22.361</b>	<b>31.300</b>	<b>24.373</b>	<b>33.362</b>
<b>Total assets</b>	<b>8.484</b>	<b>16.228</b>	<b>33.436</b>	<b>40.204</b>	<b>42.102</b>	<b>46.207</b>	<b>62.640</b>	<b>39.376</b>	<b>59.112</b>
<b>Liabilities</b>									
<b>Current liabilities</b>									
Trade and other payables	968	2.272	3.615	6.974	10.969	19.518	25.701	12.486	17.139
Borrowings		428	1.047	1.199	8.114	7.503	11.245	6.451	7.314
Lease liabilities	45	94	168	195	211	145	145	72	72
Provisions	2.751	3.321	9.915						883
Employee benefits			36	78	72	100	100	123	1.015
Income tax payable		20		30	16	391	(1.193)	453	2.264
<b>Total current liabilities</b>	<b>3.764</b>	<b>6.135</b>	<b>14.781</b>	<b>8.475</b>	<b>19.382</b>	<b>27.657</b>	<b>35.999</b>	<b>19.585</b>	<b>28.688</b>
<b>Non-current liabilities</b>									
Borrowings		422	3.175	2.415	2.194	1.370	7.528	3.641	12.692
Lease liabilities	610	488	530	286	164	18	18	10	10
Provisions	95	2.519	2.202						
Employee benefits				433	544	725	1.423	856	856
Deferred tax liabilities		604	599	616	627	1.319	3.414	1.316	3.606
Other financial liabilities						5.562	5.562	5.859	5.859
<b>Total non-current liabilities</b>	<b>705</b>	<b>4.033</b>	<b>6.507</b>	<b>3.751</b>	<b>3.529</b>	<b>8.994</b>	<b>17.945</b>	<b>11.682</b>	<b>23.023</b>
<b>Total liabilities</b>	<b>4.469</b>	<b>10.168</b>	<b>21.288</b>	<b>12.226</b>	<b>22.911</b>	<b>36.651</b>	<b>53.944</b>	<b>31.267</b>	<b>51.710</b>
<b>Net assets</b>	<b>4.014</b>	<b>6.059</b>	<b>12.148</b>	<b>27.977</b>	<b>19.191</b>	<b>9.556</b>	<b>8.696</b>	<b>8.109</b>	<b>7.402</b>

Source: Company Data

## Borrowings

Borrowing as of June 30, 2025 amounting to \$10.092 of which:

- \$3.641 bank loan;
- \$6.451 invoice finance

**Bank loan** include borrowing with maturity between 2026 and 2034 with interest rate between 1,25% and 5,27%. These loan were made mainly to finance the technological roadmap and M&A; Banks cannot ask for early repayment even in the event of a change of control. . **A renegotiation of the long-term debt is currently underway with an extension of the maturity by another two years and a moratorium period of up to 24 months and to reduce overall indebtedness which together with the positive EBITDA trend will allow a strong reduction in the level of indebtedness**

**Invoice finance** includes financing of trade receivables using credit facilities that are made available by banks. These financial liabilities are self-liquidating and are repaid through the collection of the underlying trade receivables.

**Borrowing** in the pro forma balance sheet amounting to \$20.007 include TDB Bank loan and Invoice Finance. The bank loans have a maturity between 2026 and 2031. Banks cannot ask for early repayment even in the event of a change of control. A renegotiation of the long-term debt is currently underway with an extension of the maturity by another two years and a moratorium period of up to 24 months.

## Other financial liabilities

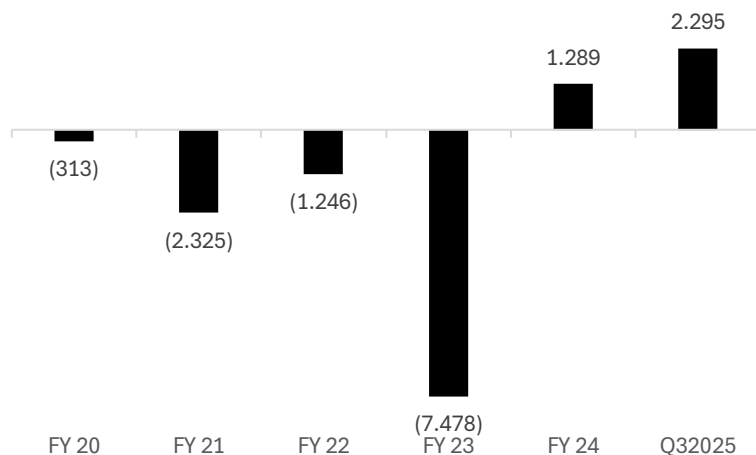
Other financial liabilities as of June 30, 2025 amounting to \$ 5.859 represents the obligation to pay additional amounts to vendors in respect of business acquired by the Group, subject to certain conditions being met. It is measured based on the likelihood of the rights' performance hurdles being met 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. **This debt is a performance-related liability following the acquisition of Invrision and will never represent a cash out for the company.**

# Cash Flow 2020A – 2025 H1-Q3 25

CASH FLOW (X 1000 AUD)	2020 A	2021 A	2022 A	2023 A	2024 A	6M2025	Q3 2025	9M2025
<b>Cash flows from operating activities</b>								
+ / - Receipts from customers	2.422	2.567	17.603	19.866	36.201	15.107	12.499	27.606
+ / - Payments to suppliers and employees	(2.706)	(4.817)	(18.695)	(27.257)	(33.615)	(19.020)	(9.349)	(28.369)
+ / - Interest received	1	26	44	212	25	4	(1)	3
+ / - Interest paid / finance costs	(40)	(76)	(94)	(240)	(976)	(347)	(546)	(893)
Government grant incentive						170	0	170
+ / - Tax paid (net of R&D tax refund)	(11)	(24)	(104)	(58)	(346)	(139)	(308)	(447)
<b>Net cash inflow from operating activities</b>	<b>(313)</b>	<b>(2.325)</b>	<b>(1.246)</b>	<b>(7.478)</b>	<b>1.289</b>	<b>(4.225)</b>	<b>2.295</b>	<b>(1.930)</b>
<b>Cash flows from investing activities</b>								
+ / - Purchase of plant and equipment	(63)	(66)	(164)	(403)	(133)	(805)	(153)	(958)
+ / - Transaction costs in purchase of subsidiary	1.097	2.305	(21)	(7)		0	0	
Payment for intangible assets	(762)	(1.330)	(1.838)	(2.677)	(3.666)	(2.147)	(382)	(2.529)
Proceeds from disposal of property, plant and equipment	1				485	0	0	
<b>Net cash inflow from investing activities</b>	<b>273</b>	<b>908</b>	<b>2.024</b>	<b>(3.088)</b>	<b>(3.314)</b>	<b>(2.952)</b>	<b>(535)</b>	<b>(3.487)</b>
<b>Cash flow from financing activities</b>								
Proceeds from issues of fully paid shares		7.485	12.951			2.000	521	2.521
Payment of transaction costs		(264)	(825)			(132)	0	(132)
Repayment of lease liabilities		(96)	(80)	(3)	(248)	0		
Repayment of borrowings			(760)	(2.563)	(17.182)	(6.427)	(4.302)	(10.729)
Proceeds from borrowings	776	71	152	9.257	15.532	7.516	2.531	10.047
<b>Net cash inflow from financing activities</b>	<b>776</b>	<b>7.196</b>	<b>11.438</b>	<b>6.691</b>	<b>(1.898)</b>	<b>2.957</b>	<b>(1.250)</b>	<b>1.707</b>
Net (decrease)/increase in cash and cash equivalents	737	5.779	8.169	(3.875)	(3.923)	(4.220)	510	(3.710)
Cash and cash equivalents at the beginning of the financial year	797	1.585	7.084	14.869	11.359	7.602	3.550	7.602
Effect of movement in exchange rates on cash held	51	(280)	(383)	365	166	168	111	279
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1.585</b>	<b>7.084</b>	<b>14.869</b>	<b>11.359</b>	<b>7.602</b>	<b>3.550</b>	<b>4.171</b>	<b>4.171</b>

Source: Company Data

## Net Cash Outflow from Operating Activities Trend (/000)



Source: Company Data

### Operating cash flow

- FY 24 operating cash flow positive for the first time since the IPO;
- In Q3 2025 operating cash flow continue to be positive. The improvement in operating cash flow over the last quarter reflects stronger operational performance and more efficient working capital management. This positive trend enhances our financial flexibility and supports the company's ongoing growth initiatives.

**3**

## **Success Stories and Strategic Partnerships**



## **Cometa – Revolutionizing Education Through XR and AI**

Cometa, a leader in educational innovation, leverages Vection Technologies' XR ecosystem to enhance the training capabilities of educational institutions. Cometa has adopted the Algho platform to improve operational workflows, personalize learning experiences, and deliver immersive training environments. Through a structured three-year partnership, Cometa aims to scale the deployment of Algho across 500 institutions, generating an expected A\$3.6 million in subscription revenue by FY25. This project demonstrates the transformative potential of VR1's AI-powered solutions in the education sector.



## **Trenitalia – Enhancing Training in Transportation**

Trenitalia, Italy's leading train operator, has partnered with Vection to implement virtual and augmented reality solutions for on-the-job training. The partnership focuses on developing operational scenes and procedures within a virtual environment, boosting employee safety and reducing equipment risks. This collaboration highlights the effectiveness of Vection's solutions in enhancing real-world applications, showcasing the scalability of Algho to other high-impact industries like logistics and manufacturing.

These existing projects serve as proof-of-concept for VR1's advanced technology, paving the way for broader adoption across diverse sectors globally.



## **Dell Technologies**

One of the most significant partnerships for Vection is its collaboration with Dell Technologies, a global leader in IT infrastructure and solutions. This partnership combines Dell's extensive hardware expertise with VR1's AI and XR platforms, significantly enhancing VR1's market presence and technical capabilities.

As part of this collaboration, the Algho platform was launched in the EMEA region, resulting in an initial sale valued at approximately USD 0.5 million. The integration of VR1's solutions into Dell's global ecosystem provides access to a broad market, including small and medium-sized enterprises (SMEs) and large corporations across various industries.



## **VR based training module for bridge operations**

Sydney Spit Bridge operations are being transformed through cutting-edge virtual reality training. This initiative addresses the critical need to digitize a comprehensive training module, reducing reliance on a limited number of operators and enhancing procedural knowledge. The project involves documenting both standard and emergency operational procedures and integrating them into a highly detailed VR-based training program. This immersive solution ensures that operators can experience real-world scenarios in a controlled environment, reinforcing safety protocols and operational efficiency. The results have been overwhelmingly positive, with operators praising the realism and accuracy of the training experience. Given the success of this initiative, further applications of this technology are being explored for broader implementation across similar infrastructure projects.



## Powerful Integrations & Partnerships

### SOFTWARE INTEGRATIONS



RhinoCeros



A Xerox Company



### HARDWARE INTEGRATIONS



### PARTNERSHIPS & RESELLERS



# Success Stories and Strategic Partnerships (3/3)

Empowering innovators around the world.



EDGE



NATUZZI



FERRERO



MBDA



Bedshed



## Certification and IP



**Deloitte.**



**Gartner®**

### Gartner's mention

Algho has been named in Gartner's Cool Vendor 2025 "Cool Vendors in Digital Humans for Websites"

Being identified as a "Cool Vendor" means that the company is recognized for its innovation, disruptive capacity and potential for market transformation.

The mention distinguishes the company from its competitors, highlighting it as a leader in its sector and an innovator in the technological landscape.

### Some main IP:

**IP 102022000012206** UNIVERSAL INTELLIGENT MANUAL FOR AUTOMATIC EXPLANATION OF DUAL-LEVEL SEMANTIC ERROR SIGNALS OF ANY DEVICE WITH A MONITOR

**IP 102020000020347** METHOD AND RELATED TOOL FOR CUSTOMIZING THE REPLAYING OF VIDEO SEQUENCES IN A VIRTUAL WORLD

**IP 102019000007452** SOFTWARE APPLICATION FOR THE CONTROL AND MANAGEMENT OF THREE-DIMENSIONAL MODELS AND RELATED OPERATIONAL PROCEDURE

**IP 202024000003571** IMPROVED SYSTEM FOR VIRTUAL REALITY REPRODUCTION WITH IMMERSIVE EXPERIENCE IN CONSUMER AND PROFESSIONAL FIELDS

**IP 102023000014481** IMPROVED SYSTEM FOR EXTENDED REALITY (XR) PLAYBACK WITH IMMERSIVE EXPERIENCE IN CONSUMER AND PROFESSIONAL FIELDS

**IP 202022000004782** EQUIPMENT FOR MANAGING THE ADMISSION AND/OR EXIT PROCEDURE, THROUGH REGISTRATION OF PERSONAL DATA, IN HOTELS, HOSPITALS, PORTS, AIRPORTS AND PUBLIC SERVICES IN GENERAL

**4**

**Research Note**

## ASX: VR1

### Equity Research

14<sup>th</sup> January 2025

#### SPECULATIVE BUY

Share Price \$0.036  
Valuation \$0.12

52-Week Range \$0.007 - \$0.041  
VR1 Shares Outstanding 1,350.5m  
Options (\$0.018, exp. 11 Nov 2025) 270m  
Performance Rights (VRAA) 23.3m  
Performance Rights (VR11 – TDB) 34

Market Capitalisation \$47.40m  
Cash (30 Sep 2024) \$4.8m  
Enterprise Value \$66.87m

#### Board & Management:

Marco Landi	Proposed Chairman
Gianmarco Biagi	Managing Director/CEO
Lorenzo Biagi	Executive Director
Jacopo Merli	Executive Director/COO
Gianmarco Orgnoni	Non-Executive Director
Bert Mondello	Non-Executive Director

#### Major Shareholders:

Officine BK Srl	24.69%
Mr Jacopo Merli	4.94%
Cdp Venture Capital Sar Spa	4.09%
Primo Ventures Sgr Spa	3.58%
Top 20	51.41%



Vection Technologies (VR1) is a global provider of innovative enterprise solutions that merge Artificial Intelligence (AI), Extended Reality (XR), and IoT to connect digital and physical worlds. The company's growth is driven by its flagship Algho platform, a scalable, AI-powered business ecosystem that enhances decision-making, streamlines operations, and boosts productivity. Vection has successfully moved beyond the proof-of-concept phase for Algho, with deployments across key sectors including education, transportation, and healthcare, demonstrating its transformative potential. The next step is a broader rollout targeting businesses of all sizes, from small and medium-sized enterprises (SMEs) to large corporations worldwide, unlocking growth opportunities across various industries.

## Vection Technologies

### Artificial Intelligence Meets Extended Reality

**AI and XR Driving the Next Stage of Growth:** Vection Technologies (VR1) is revolutionizing enterprise operations with its integrated Algho platform, which combines Generative AI, Extended Reality (XR), and IoT. The platform enables real-time data analysis, immersive experiences, and smarter decision-making. Through a strategic partnership with Dell Technologies, Algho is being introduced across sectors such as education, transportation, and healthcare, showcasing its transformative potential.

**Addressing a Broad Market:** Algho is an on-premise AI platform designed for businesses of all sizes, from SMEs to large corporations. By integrating AI, VR, and AR across the value chain, Algho empowers organizations to adopt advanced technologies. Its self-manageable, scalable, cost-efficient, and interface-agnostic design ensures accessibility for clients regardless of resources or infrastructure complexity. Leveraging open-source frameworks, Algho promotes collaboration, seamless integration, and adaptability to evolving business needs, unlocking efficiency and productivity gains.

**Experienced Leadership Driving Innovation:** Vection's management team, led by CEO Gianmarco Biagi, brings deep expertise in AI, XR, and enterprise solutions. Strategic partnerships, including collaboration with Dell Technologies, further enhance Vection's position as a leader in AI-powered enterprise solutions.

#### Investment Thesis

**AI and XR Revolutionizing Business:** The integration of Generative AI and XR is reshaping enterprise operations, driving unprecedented productivity gains. Platforms like VR1's Algho position Vection Technologies as one of the few listed companies capitalizing on this shift.

**Expansive Global Market Opportunity:** The Generative AI (GenAI), worth ~US\$2 billion in 2024, are projected to grow at ~80% CAGR. Vection Technologies is expected to capitalize on this demand, leveraging its innovative solutions to capture market share and drive recurring revenue.

**Innovative and Scalable Solutions:** Businesses are increasingly adopting AI and XR tools to automate workflows, enhance collaboration, and gain real-time insights. Algho is expected to drive significant adoption and revenue growth, reinforcing its valuation potential.

#### Valuation

Vection Technologies' valuation is driven by the transformative potential of its Algho platform in the rapidly expanding AI and XR markets. A **Discounted Cash Flow (DCF)** analysis suggest an intrinsic valuation of **A\$0.12/share**, with upside to **A\$0.20/share**. These methods underscore the company's robust growth trajectory, fueled by increasing customer adoption, operational scaling, and high-margin opportunities in sectors such as real estate and retail.

Investments in innovations, including **Algho v2.0**, position Vection Technologies to strengthen its market leadership and capture significant value in these high-growth industries. The company's ability to leverage cutting-edge solutions and expand its market footprint solidifies its potential for delivering long-term shareholder returns.

#### Upcoming catalysts

Event	Expected Timeline
Q2 FY25 Earnings Release	February 26, 2025
Q4 FY25 Earnings Release	August 27, 2025
Integration of MYR Acquisition	Ongoing
Expansion of Dell Partnership	Ongoing
Algho AI Platform Updates	Quarterly
Ongoing Contract Wins	Ongoing

Research note by EVOLUTION CAPITAL

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<b><u>TERM</u></b>	<b><u>DEFINITION</u></b>	<b><u>TERM</u></b>	<b><u>DEFINITION</u></b>
<b>EBITDA</b>	<i>Earnings Before Interests, Taxes, Depreciation, Amortization</i>	<b>\$k</b>	<i>Thousands of dollars</i>
<b>EBIT</b>	<i>Earnings Before Interest and Taxes</i>	<b>\$mln</b>	<i>Milions of dollars</i>
<b>EBT</b>	<i>Earnings Before Taxes</i>	<b>\$bln</b>	<i>Billions of dollars</i>
<b>PAT</b>	<i>Profit After Taxes</i>	<b>\$trl</b>	<i>Trillions of dollars</i>
<b>DSO</b>	<i>Days Sales Outstanding</i>	<b>PC</b>	<i>Pre-Closing</i>
<b>DPO</b>	<i>Days Payables Outstanding</i>	<b>1H</b>	<i>First Half</i>
<b>A</b>	<i>Actual (Final Figures)</i>	<b>NE</b>	<i>Net Equity</i>
<b>AuCap</b>	<i>Capital Increase</i>	<b>FCF</b>	<i>Free Cash Flow</i>
<b>SG&amp;A</b>	<i>Selling, General &amp; Administrative</i>	<b>NWC</b>	<i>Net Working Capital</i>
<b>SaaS</b>	<i>Software as a Service</i>	<b>NFD</b>	<i>Net Financial Debt</i>
<b>CAGR</b>	<i>Compound Annual Growth Rate</i>	<b>CAPEX</b>	<i>Capital Expenditures</i>
<b>IPO</b>	<i>Initial Public Offering</i>	<b>R&amp;D</b>	<i>Research &amp; Development</i>
		<b>SMEs</b>	<i>Small and Medium-sized Enterprises</i>
		<b>KPI</b>	<i>Key Performance Indicator</i>



**Thank you.**

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