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ASX RELEASE

UPSIZED $3.55m PLACEMENT FOLLOWING STRONG Q3 RESULTS

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), ("Vection" or the "Company"), the INTEGRATED**XR**® company, to report that overwhelming investor demand has enabled the Company to raise $3.55m comfortably surpassing the Company's original $2m target set immediately after yesterday's release of the FY25 Q3 Activity Report.

This funding reflects confidence in Vection's swiftly evolving AI-driven recurring-revenue strategy and the encouraging cash-flow progress noted in the quarterly update.

Vection's Managing Director Gianmarco Biagi commented: "*Investor enthusiasm for this placement reflects the momentum observed in Q3, where significant cash receipts and a substantial increase in recurring revenue showcased the scalability of our model. The additional capital enables us to accelerate our efforts in AI-driven spatial computing and swiftly enter emerging markets for our INTEGRATED**XR**® platforms.*"

Key metrics reinforcing placement demand:

- Cash receipts jumped to $12.5m in Q3 FY25, a 92 % lift year-on-year, underpinning positive operating cash flow of $2.3m for the quarter.
- Recurring revenue now represents ~40% of total sales, up from ~10% in FY24, reflecting growing subscription momentum across the QuestIT/TDB AI portfolio.

Placement snapshot:

- Approximately 237m new ordinary shares will be issued at $0.015 each, accompanied by one free listed VR1O option for every two shares.
- Evolution Capital Pty Ltd, as Lead Manager, will receive a 6% management and selling fee (plus GST) and ~10 million broker options on the same terms as investors' options.
- Shares will settle on or about 5 May 2025 with expected quotation on Tuesday 6 May 2025 and rank pari passu with existing ordinary shares; issuance sits within the Company's current 7.1 / 7.1A capacity.

Use of funds:

- Accelerate the expansion of Vection's generative AI business, including additional R&D for emotion-aware digital humans and voice-driven XR workflows.
- Support market-development initiatives in defence, industrial and telecom verticals, leveraging the Dell Titanium, DigiLens and Totalplay partnerships highlighted in the quarterly.
- Provide working capital headroom for integrating QuestIT/TDB and evaluating selective inorganic growth opportunities identified in the FY25 strategy roadmap.

AUTHORISATION:

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

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ABOUT VECTION TECHNOLOGIES:

Vection Technologies is a growing enterprise-focused company that helps businesses bridge the physical and digital worlds. We help organisations leverage their 3D data via powerful extended reality (XR) interfaces that foster collaboration and learning, grow sales and more.

Vection Technologies is listed on the Australian Securities Exchange (ASX) with ticker code VR1, and trades on the U.S. over-the-counter (OTC) markets under the symbol VCTNY.

For more information, please visit: www.vection-technologies.com

FORWARD-LOOKING STATEMENTS:

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Vection Technologies' current expectations, estimates and projections about the industry in which Vection Technologies operates, and beliefs and assumptions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, guidance, or outlook on future earnings, distributions, financial position, or performance are also forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of Vection Technologies, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Vection Technologies only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Vection Technologies has no obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.