

17 December 2024, Australia

ASX RELEASE**MASSACHUSETTS GENERAL HOSPITAL TRIALS
ALGHO AI**

Vection Technologies Ltd (ASX:VR1, OTC:VCTNY), ("Vection" or the "Company"), the INTEGRATEDXR[®] company, is pleased to announce that Algho AI is now undergoing clinical pilot trials at Massachusetts General Hospital ("MGH") in Boston, USA. Recognised as one of the largest and most prestigious hospitals globally, MGH is affiliated with Harvard Medical School and consistently ranks among the top hospitals in the world. This trial represents a strategic milestone for Vection, demonstrating artificial intelligence's scalability and transformative potential in healthcare. The initial pilot contract has high potential as the technology expands into MGH's ecosystem.

On 29 August 2024, Vection announced the proposed acquisition of Algho AI's creator, The Digital Box S.p.A. ("TDB"), a generative Artificial Intelligence ("AI") company.

HIGHLIGHTS:

- Algho AI is now in full-scale trial with the Massachusetts General Hospital in the U.S., following an initial implementation phase, laying the foundation for future expansion.
- The pilot contract is enhanced by a scalable per-conversation pricing model, which allows exponential revenue growth as adoption increases.
- The program would be expected to accommodate approximately 10,000 visits in paediatric cardiology and hospital-wide this could be as much as 100,000 visits per years
- Algho AI is an AI-powered 3D virtual assistant integral to the Raising Healthy Hearts program, streamlining patient data collection and care planning.
- The trial aims to scale Algho AI's deployment across MGH's ecosystem over the next 12 months, with broader adoption opportunities in the future.

OVERVIEW:

Vection is pleased to announce that Algho AI, delivered as the 3D avatar named Katherine, has successfully transitioned from an initial implementation phase to a full-scale trial at Massachusetts General Hospital ("MGH"). As part of this development, MGH has renewed its license agreement, valued at approximately \$160k per year, which includes a provisional license for the first six months. In addition, the agreement features a scalable usage-based cost of approximately \$0.26 per conversation, reflecting Katherine's significant potential for extensive adoption. This model accounts for multiple patient interactions, as each individual case may involve several conversations over time.

The expected timeline for completing the trial and achieving full-scale integration is from February to July for the pilot, with integration scheduled for August 2025.

Katherine promises to be pivotal in MGH's Raising Healthy Hearts program, a flagship initiative led by the hospital's paediatric cardiology division. This program focuses on preventing cardiovascular diseases in

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children and adolescents by identifying risk factors such as hypertension, diabetes, and high cholesterol early on. Katherine, an AI-powered 3D virtual assistant, engages with patients and their families through virtual interviews. It collects critical data, including clinical history, family medical background, dietary habits, physical activity levels, and social risk factors. By automating the data collection process, Katherine alleviates administrative burdens, accelerates the creation of personalised therapeutic plans, and enhances the overall efficiency of patient care.

Through these capabilities, Katherine exemplifies the transformative potential of AI in healthcare. By streamlining clinical, behavioural, and social data gathering, Katherine equips healthcare providers with actionable insights before the patient's visit, improving efficiency, accuracy, and quality of interactions. This fosters a more empathetic and targeted approach to care. The ongoing full-scale trial at MGH represents a critical milestone, demonstrating how AI-powered solutions like Katherine can seamlessly integrate into clinical workflows. Over the next 12 months, the trial will look to expand across MGH's facilities, showcasing Katherine's scalability and its potential to revolutionise healthcare delivery.

Katherine's innovative pricing model, which combines a base annual license fee with usage-based costs, positions it as a highly scalable solution. This approach enables broader adoption across multiple hospitals and therapeutic areas. With each conversation priced at circa \$0.26, Katherine provides a cost-effective solution for hospitals seeking to streamline operations while improving patient outcomes. Beyond paediatric cardiology, Katherine's demonstrated effectiveness highlights opportunities for expansion into other therapeutic areas such as endocrinology and mental health. The platform's scalability underscores its potential to redefine the role of AI in healthcare ecosystems, particularly in mission-critical environments.

The Raising Healthy Hearts program operates within an innovative "Hub & Spoke" healthcare model supported by Katherine's advanced AI capabilities. This model facilitates efficient patient screening, enhances workflow management, and supports early intervention for improved long-term health outcomes. Katherine's integration into this system enhances operational efficiency while fostering personalised, high-quality care for patients and their families.

Gianmarco Biagi, Managing Director of Vection Technologies, said: *"The trial of Katherine at Massachusetts General Hospital is a significant milestone showcasing the innovative capabilities of Algho AI."*

"This partnership highlights the transformative potential of AI-powered tools like Katherine in delivering early interventions, improving patient outcomes, and creating efficiencies across healthcare ecosystems. This agreement also demonstrates our ability to secure strategic agreements and partnerships in the U.S. We proudly support the hospital's mission to advance patient care."

Dr. Oscar Benavidez, Chief of Paediatric Cardiology at Massachusetts General Hospital for Children, said: *"This collaboration with Massachusetts General Hospital demonstrates the transformative potential of Algho AI in revolutionising healthcare delivery"*

"Katherine's scalable technology addresses complex challenges while setting new standards for patient outcomes and operational efficiency."

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KATHERINE: AN INNOVATION IN HEALTHCARE

Katherine, powered by Algho AI, is a 3D virtual assistant with the promise to be an integral part of the Raising Healthy Hearts program. The initiative aims to prevent paediatric cardiovascular diseases by identifying risk factors early and personalising interventions.

Katherine's Capabilities:

- Collecting comprehensive patient data (medical history, lifestyle, socio-economic factors).
- Reducing administrative burdens and enhancing care planning.
- Supporting Mass General's transition to a scalable "Hub & Spoke" healthcare model for early detection and intervention.

Through virtual interviews, Katherine gathers comprehensive patient information, such as medical history, lifestyle habits, and social risk factors.

Performance metrics include weekly clinical volume (number of patients per week) by Katherine and by clinical providers, top-line revenue, and self-reported patient experience.

This process equips healthcare providers with actionable insights, improving care personalisation and operational efficiency.

STRATEGIC SIGNIFICANCE AND FUTURE POTENTIAL:

The scalability of Algho AI is a core focus of this trial. Katherine is expected to serve thousands of patients annually, with potential applications in other therapeutic areas such as endocrinology and mental health.

The usage-based pricing model ensures significant revenue growth as adoption increases. For instance, a single patient visit involving multiple conversations can yield substantial recurring income, making Katherine a cost-effective hospital solution.

This large-scale trial validates the growing importance of AI in healthcare, unlocking opportunities to expand Katherine's use across additional hospitals and therapeutic areas.

At scale, the deployment of Katherine could offer other potential uses, including other clinical departments and administrative roles, Checking in on treatment plans, offering connections to community-based resources to improve health, moving toward a longitudinal care plan instead of episodic care by ultimately significantly enhancing patient outcomes, streamline operations, and reduce healthcare costs.

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ABOUT MGH:

Massachusetts General Hospital (MGH), founded in 1811 and affiliated with Harvard Medical School, is one of the most prominent medical institutions in the world. Known for its excellence in patient care, biomedical research, and medical education, MGH consistently ranks among the top hospitals globally.

Key Highlights:

- Rankings: U.S. News & World Report's Honor Roll and Newsweek's "World's Best Hospitals."
- Capacity: Over 1,000 beds, treating 50,000 inpatients and performing over 34,000 surgeries annually, and handles over 3,800 births. Its emergency department treats more than 2,600 trauma cases each year, solidifying its reputation as a leader in healthcare, research, and innovation.
- Research Leadership: With a \$1.98 billion AUD annual research budget and a team of 9,500 researchers, MGH is at the forefront of healthcare innovation.

ACQUISITION UPDATE:

The acquisition of TDB is set to be finalised in early January 2025. This timeline indicates the completion of the remaining components of the conditions precedent. As we approach the end of the first half of the financial year, the acquisition will be completed a few weeks later than the projected initial Q2 FY25 timeline. This adjustment ensures a smooth transition and a strong reporting structure following the acquisition.

MATERIALITY THRESHOLD:

This announcement is regarded as material by the Board because of its strategic importance and its connection with a major U.S. hospital. It presents significant growth opportunities and serves as a crucial acknowledgment of the technology's validity and market application.

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.

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