



2023 Interim Results Presentation

Presented by: David Whelan C.E.O
Seamus Larrissy C.F.O

What is **ENGAGE?**

ENGAGE is a business-focused spatial computing & metaverse platform designed for corporations, professionals, education organizations, and event organizers. It is used for remote training, collaboration, events and marketing and enables our clients to directly engage with employees, customers, and suppliers in virtual locations and digital twins.

ENGAGE clients include well-known companies across many different business verticals, including KPMG, Pfizer, 3M, Stanford University, Lenovo, HSBC, KIA, and many more.

ENGAGE is working hand in hand with over 200 enterprise organizations globally to help make their virtual strategies a reality.





ENNGAGE



What is the **Metaverse?**

Today the internet is primarily a 2D solo experience where users browse the web by independently reading web pages and viewing video content on flat screens.

The “metaverse” is the next evolution of the internet. Users become immersed in a 3D shared experience where they can explore virtual worlds via their personal avatar along with friends and co-workers.

The metaverse will not replace all aspects of the current internet, however it will be utilized for remote training, education, events, remote collaboration and any task that requires multiple people to be online and engaged with one another in some way.

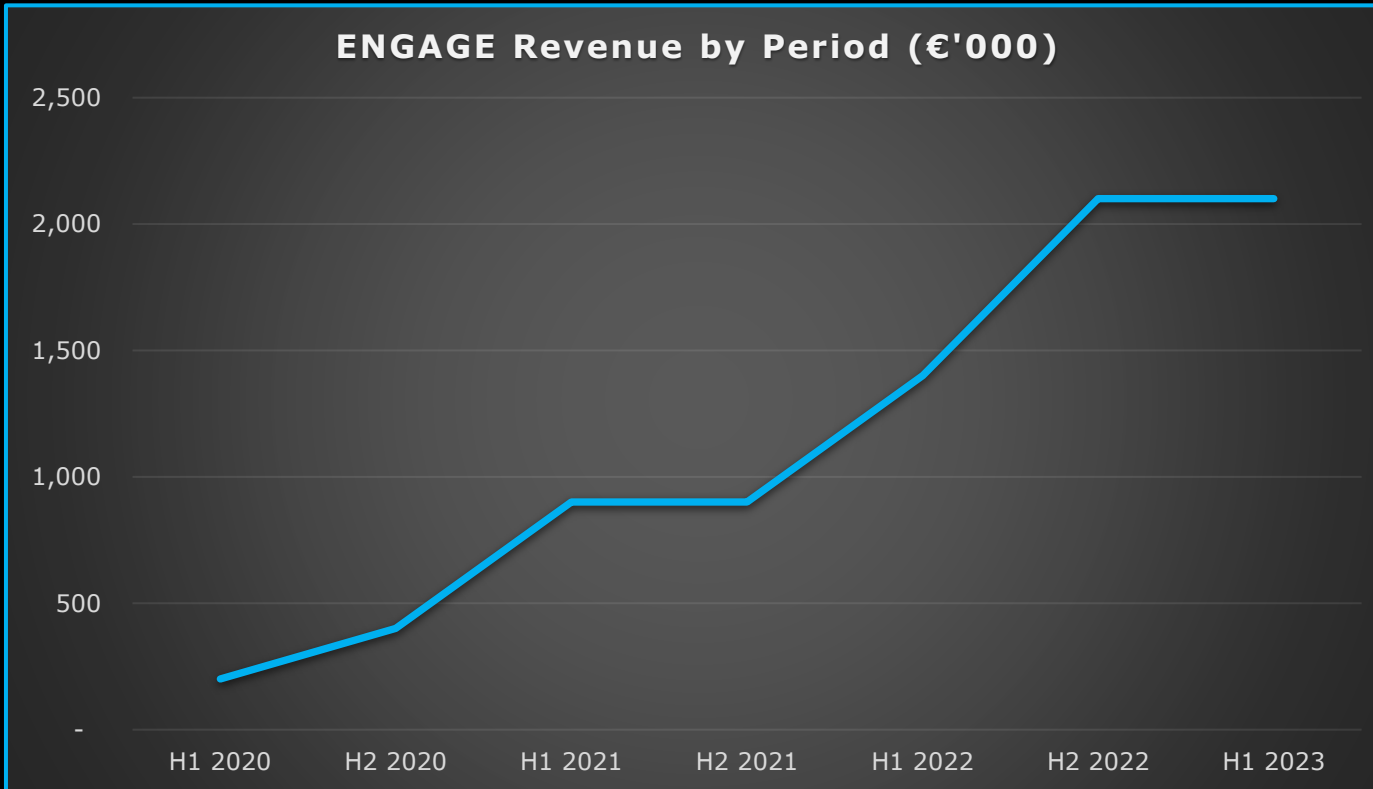
Eventually, all metaverse platforms will be cloud rendered and linked together providing users with seamless exploration and services similar to hyperlinked website functionality today.





Financial Overview 2023

Engage Platform Growth Story



17
Deals >€50k H1-23
(7 H1-22)

€21k
Average Deal Size
(€18k H1-22)

ENGAGE H1-23 revenue totals €2.1m up 18% from €1.8m in H1-22
Cash position at 30 June 2023 of €9.4m, following oversubscribed equity raise of €10.5m (before expenses) in Q1 2023

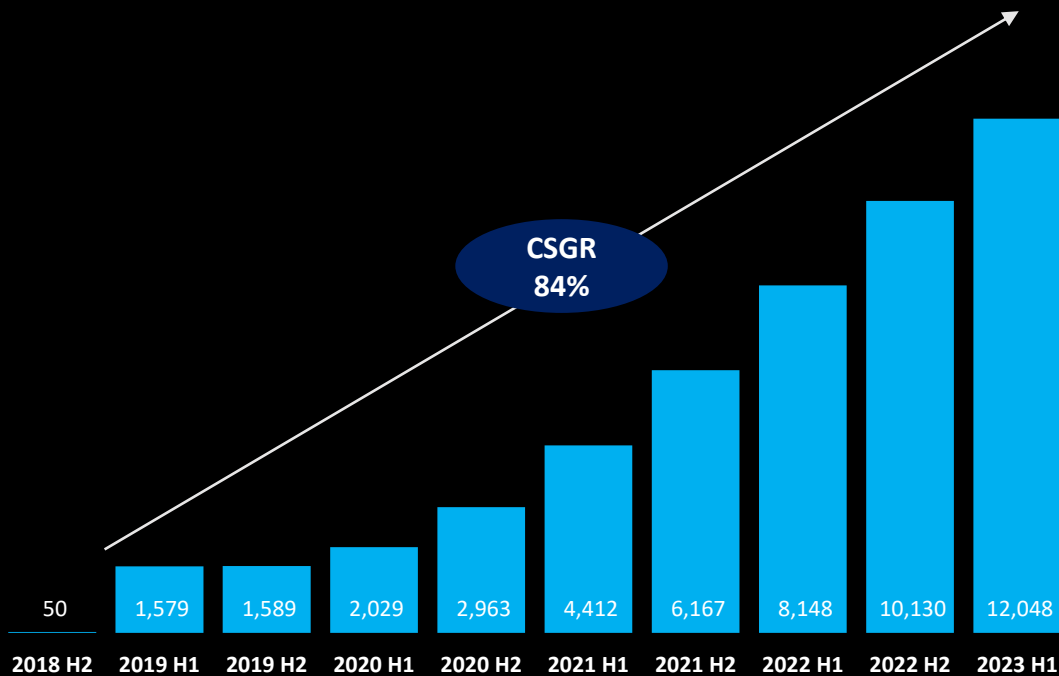
Engage Platform Growth Story

Underlying business KPIs evidencing continued traction during H1-23

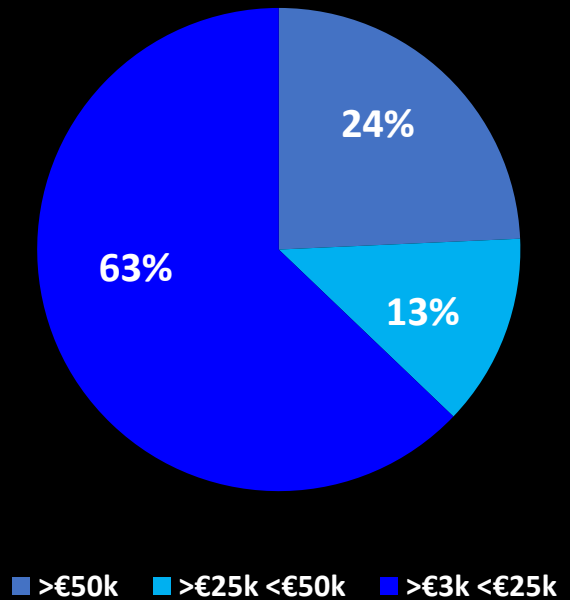
+84% Compound Semi Annual Growth in License Numbers

24% of Contracts Won >€50k

Total Licenses¹



Average Contract Size²



¹ As at 30 June 2023. Classified as a license if active as at period end.

² Annual contract size is based on the number of contracts at certain values at each period end.

H1 2023 – Key metrics

Targets

Performance

Focus on accelerated growth of ENGAGE revenue

- Total H1-23 Revenue of **€2.1m** up **18%** from €1.8m in H1-22
- ENGAGE Revenue comprises **91%** of total Group Revenue up from 81% in H1-22

Gross Margin in excess of 80%

- Increased to 93% in H1-23 from 81% in H1-22

10% average Month on Month ('MoM') increase in licensed users

- Approx. 30 new Enterprise and Education Customers added to the ENGAGE platform in H1-23, bringing the total number of Enterprise and Education Customers to approx. 220 at period end
- Total licensed Enterprise and Education users at 30 June 2023 in excess of 12,000, an increase of 48% during the year
- New sign-up post period end for more than 5,000 annual licensed users

Customer Revenue Retention Rate of 80%+

- Revenue retention rate for H1-23 was 201% with renewing customers increasing their committed spend

Average Contract Value of €20,000+

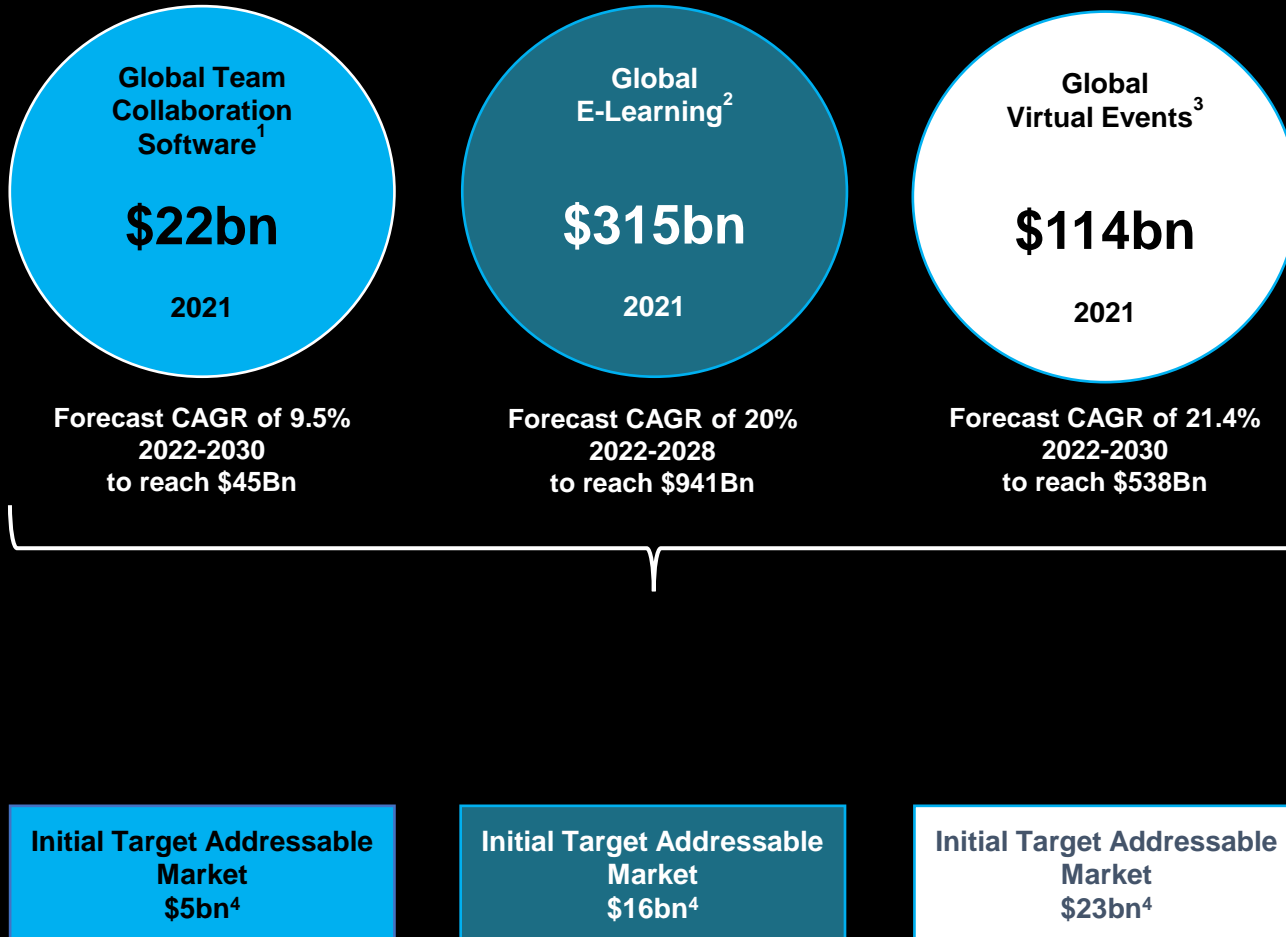
- Average contract value ('ACV') for license deals excluding trial customers and custom development work H1-23 is **€21k** (H1-22 €18k).

Operating costs & cash

- Cash position as at 30 June 2023 of €9.4m
- Significantly oversubscribed fundraising in Q1 2023 raising €10.5m before expenses bolstering cash position.

ENGAGE XR – THE OPPORTUNITY

The Market Opportunity



ENGAGE Target Addressable Market (TAM)

- Management estimate a Total Addressable Market for ENGAGE of between \$10bn– \$44bn
- Within the overall markets VR/AR CAGR is expected to be a multiple of non-VR/AR CAGR for the foreseeable future
- ENGAGE’s cross platform use on desktop, phone, and tablet positions EXR to participate in these broader markets, unrestricted by availability of VR/AR hardware
- Management expect 2023 to be another formative year, specifically with the launch of ENGAGE Link at the end of 2022, with regard to building an evidence base for the relevant ENGAGE TAM

1 Grand View Research
2 Global Market Insights
3 Grand View Research
4 Management Estimate

Partnership with **Lenovo**

Lenovo are one of the largest computer hardware manufacturers in the world and they have tasked us with building out their Metaverse.

Commercial agreement signed in November 2022 in which Lenovo will resell Metaverse services directly to their own clients and build them within the ENGAGE ecosystem. This coincides with the release of the Lenovo VR Enterprise headset.

Lenovo are one of the leading hardware providers for education and corporations within the EU and have a large market share in the US.

The Group anticipates revenue generation from the Agreement in Q4 2023



What are the Use Cases?

Virtual Worlds and Immersive technologies such as VR/AR have been used in industry and training for over 40 years.

Now that this technology has become affordable, we are seeing growth areas with clients of the ENGAGE platform who use it for:

- **Virtual Meetings, Exhibits & Events**
- **A.I Enhanced Remote Training & Development**
- **Virtual Product Launches**
- **Team Building & Collaboration**
- **Remote Education**
- **Immersive Content Development**
- **Digital Twins & Virtual MetaWorld Hosting**



Use Case **One**

A.I Enhanced Training & Development

ENGAGE is a powerful tool for remote teams where clear communication and collaboration are key to success.

Employees can create virtual meetings which are as close to real world meetings as you can get. Virtual meetings have a range of different tools including white boards, presentation screens, desktop streaming, sticky notes and 3D immersive drawing tools for creative sessions.

In this example we see Athena A.I interacting with ENGAGE employees to create a short on the fly training scenario. None of this is scripted and shows just how powerful AI when used with immersive technologies can be.



A.I Enhanced Training & Development

Use Case **Two** **Digital Twins & MetaWorlds**

ENGAGE provides a metaverse service named ENGAGE Link which is a publicly available always on virtual world tailored for professional users. The virtual worlds located inside ENGAGE Link are controlled and built by our enterprise clients directly or our internal ENGAGE Studio team can be hired to build out locations and Digital Twins.

Digital Twins are exact replicas of physical real-world locations used for marketing, sales and remote training. ENGAGE can help build these locations or import models from a range of different software packages to have you up and running quickly with your own virtual space or “MetaWorld”

This video presentation gives a short overview of the types of spaces available inside ENGAGE Link today.



Use Case **Three**

Virtual Events, Team Building & Exhibits

The ENGAGE platform is used extensively for large corporate events, company social events and professional exhibits.

As ENGAGE has a built-in content creation tool, it allows for the development and deployment of impressive visual experiences which can be created quickly and at a much lower cost than bespoke development applications.

The ENGAGE team have built and run

- Team Building Social Events
- Industry Exhibitions
- Virtual Concerts
- Immersive Product Launches

The video showcased here is a short snippet from the FatBoy Slim Concert which was held on ENGAGE in early 2023. In this video you see company employees enjoying a virtual skydive while Norman Cook *aka* Fatboy Slim provides the music.



Video – Fatboy Slim

Our CLIENTS

Here you will see a small selection of clients who use ENGAGE to provide a range of different services for their clients, employees and students.



Lenovo



HSBC

htc



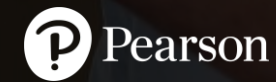
Stanford
University

Meta



KUEHNE+NAGEL

ADTALEM
GLOBAL EDUCATION



KPMG

BHP

uni
per

MTN

The KIA logo, consisting of the letters 'KIA' in a stylized, metallic, 3D font.

Current Trading & Outlook

- July and August 2023 combined revenue of approx. **€1m**, in line with management expectations.
- Continued growth in customers for ENGAGE. Most significant win post period end includes a **5,400-license** deal with a US State Department of Education.
- Significant 3 year renewal agreed with US Educational body worth in excess of **\$250k**
- New revenue opportunities opening up with partnerships growing stronger with **Meta and Lenovo** during H2 2023
- New hardware releases focusing on **AR** and **Spatial Computing** services being released over the coming months providing new product possibilities for the ENGAGE platform to exploit.
- ENGAGE leading the way for A.I integration within immersive technologies via **Athena A.I** with use cases centered around enterprise training, sales services and content development.



Group: ENGAGE XR Holdings Plc

Listing: London AIM: EXR

Investor Relations: Seamus Larrissey, CFO: seamus@engageplc.com

Address: Unit 9 - Cleaboy Business Park
Cork Road
Waterford City
Ireland

Website: <https://engagevr.io/>

Email: Info@engageplc.com

Twitter: @engage_xr

Joint Broker & Nomad: FinnCap

Marc Milmo

E: mmilmo@finncap.com

T: +44 20 7220 0567

Joint Broker: Shard Capital Partners

LLP

Erik Woolgar

E: Erik.Woolgar@shardcapital.com

T: +44 20 7186 9952

PR: SECNewgate

Robin Tozer

E: robin.tozer@secnewgate.co.uk

T: +44 20 3757 6867



ENGAGE

Appendices

Appendix 1 – Management Team



David Whelan
Founder, CEO

[LinkedIn](#)



Sandra Whelan
Founder, COO

[LinkedIn](#)



Séamus Larriskey
CFO

[LinkedIn](#)



Frank Forsey
CRO

[LinkedIn](#)



David Forristal
Head of Delivery

[LinkedIn](#)

Board Members



Richard Cooper
Chairman

[LinkedIn](#)



Kenny Jacobs
Non Executive Director

[LinkedIn](#)



Praveen Gupta
Non Executive Director

[LinkedIn](#)

Appendix 2 - Financial Summary – Income Statement

6 months ended 30 June	2023 (€)	2022 (€)	% Change
Revenue	2,075,015	1,757,438	+18%
<i>Cost of Sales</i>	<i>(139,080)</i>	<i>(337,244)</i>	-59%
Gross Profit	1,935,935	1,420,194	+36%
Gross Profit %	93%	81%	+12%
<i>Administrative Expenses</i>	<i>(4,122,701)</i>	<i>(4,200,985)</i>	-2%
Operating Loss	(2,186,766)	(2,780,791)	-21%
EBITDA	(2,119,043)	(2,526,448)	-16%
Total comprehensive loss for the period	(2,187,642)	(2,798,315)	-22%

- H1-23 revenue of €2.1m up approx. 18% on prior period
- Increase in gross profit margin from 81% in H1-22 to 93% in FY23 primarily due to greater ENGAGE contribution
- Decrease in administrative expenses primarily driven by strong cost control within the period.
- Decrease in EBITDA loss driven by increase in gross profit and cost containment within administrative expenses.

Appendix 3 - Financial Summary – Balance Sheet

Period ended 30 June	2023 (€)	2022 (€)	% Change
<i>Non-Current Assets</i>			
Fixed & Intangible Assets	116,274	312,069	-63%
<i>Current Assets</i>			
Trade & Other Receivables	1,444,904	1,087,352	+33%
Cash and cash equivalents	9,446,893	4,900,780	+93%
<i>Total Current Assets</i>	<u>10,891,797</u>	<u>5,988,132</u>	+82%
Total Assets	<u>11,008,071</u>	<u>6,300,201</u>	+75%
<i>Equity & Reserves</i>	10,340,431	5,675,641	+82%
<i>Liabilities</i>			
Trade and Other Payables	634,080	612,378	+4%
Operating Lease Liability	33,560	12,182	+175%
<i>Total Liabilities</i>	<u>667,640</u>	<u>624,560</u>	+7%
Total Equity & Liabilities	<u>11,008,071</u>	<u>6,300,201</u>	+75%

- Trade and other receivables were €1,445k, ahead of trade and other payables at €634k
- Trade receivables represented an average of 157 debtor days (2022: 92 days). No history of bad debts within the group and the increase merely reflects the timing of invoices in June 2023.
- Cash position on 30 June 2023 was €9.4 million with no debt. At 31 August 2023 cash position was €9.2 million.

Appendix 4 - ENGAGE XR Holdings Plc Shareholder Information



Share Information

Shares in issue: 524,826,146

Options: 42,133,473

Fully Diluted: 566,959,619

Shareholder Name	Number of shares	%
Canaccord	110,709,299	21.09
HTC	62,780,087	11.96
Octopus Investment Limited	54,567,391	10.40
Seneca	21,583,574	4.11
Enterprise Ireland	18,998,760	3.62
Unicorn AIM VCT Plc	18,977,000	3.62
Premier Miton	18,625,000	3.55

Related Parties – Directors Shareholdings

Shareholder Name	Number of shares	%
David Whelan	38,665,000	7.37
Sandra Whelan	38,665,000	7.37
Richard Cooper	1,070,400	0.20
Séamus Larrisey	88,000	0.02