

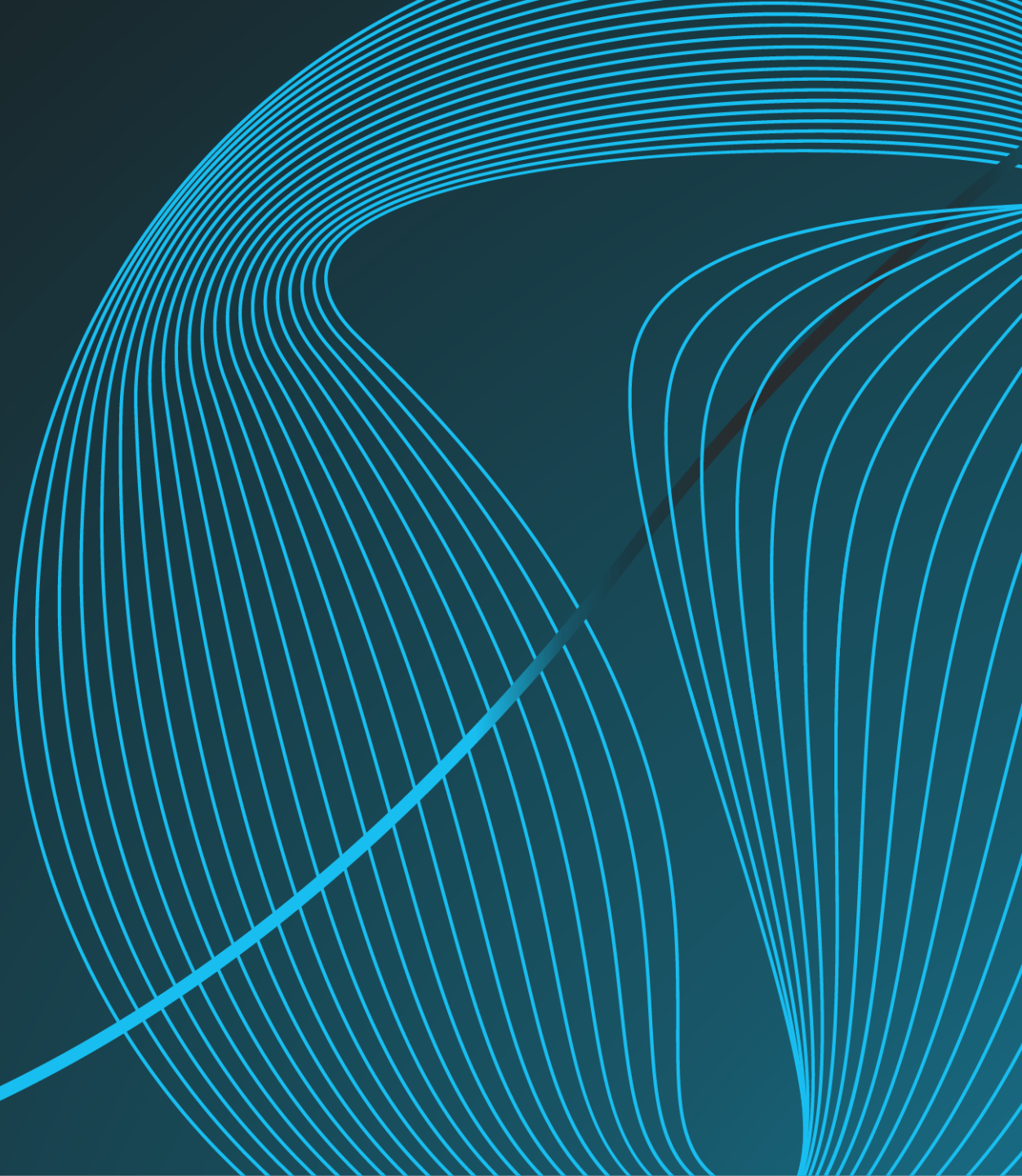
ENGAGE

REAL BUSINESS DONE VIRTUALLY

ENGAGE XR Holdings plc

FY2021 Final Results

March 2022



Disclaimer

This presentation contains certain statements that are forward-looking. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations of the Group about future events and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although the Group believes that current expectations and assumptions with respect to these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements should therefore be construed in light of such factors. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. Other than in accordance with legal or regulatory obligations, the Group is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Investor Relations & Media

Group: ENGAGE XR Holdings Plc

Listing: London AIM: EXR
Dublin Euronext Growth: EXR

Investor Relations: Séamus Larrisey, CFO: seamus@engagexr.co

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

Phone: +353 51-585-837

Websites: <https://engagexr.co/>

Email: Info@engagexr.co

Twitter: @engagexr

ENGAGE
REAL BUSINESS DONE VIRTUALLY

PR: SEC Newgate
Robin Tozer

E: engage@secnewgate.co.uk
T: +44 (0) 7540 106 366

Joint Broker: Shard Capital Partners LLP
Erik Woolgar

E: Erik.Woolgar@shardcapital.com
T: +44 (0) 20 7186 9952

Joint Broker: Davy
Barry Murphy

E: Barry.Murphy2@davy.ie
T: + 353 1 679 6363

Joint Broker & Nomad: finnCap Ltd
Marc Milmo

E: mmilmo@finncap.com
T: +44 (0) 20 7220 0500

A person is shown in profile, wearing a VR headset. They are interacting with a digital sphere composed of a wireframe mesh, which is surrounded by a network of blue lines and points. The background is dark with some blurred light sources. The overall theme is technology and virtual reality.

01 Final Results

FY2021 | Significant ENGAGE growth

ENGAGE XR Holdings Plc (“EXR”) is a virtual reality ('VR') technology company focused on becoming the leading global provider of virtual communications solutions to enterprise and institutional clients through its proprietary VR software platform, ENGAGE

Operational Highlights

- Continued acceleration in demand for **ENGAGE Platform** with numerous 6 figure deals signed during 2021
- Oversubscribed placing announced on 18 June 2021 raising **€9.0 million** (£7.7 million) before expenses
- **Leadership team strengthened** to support growth - New US-based hires include Director of Revenue and Head of Marketing tasked with growing the Sales and Marketing function of the Group.
- **Major client wins** - initial six-figure dollar contract with Optima Domi LLC to service the first VR-based Florida charter school; six-figure euro contract with a Korean Enterprise customer; also, 3M, BMW Motorsport, Abbott Group, and the US Department of State

Financial Highlights

€2.39m
Group Revenue
(+68% on prior year)

+200%
Increase in ENGAGE
Revenue

>70%
ENGAGE Revenue as a %
of the Group

79%
Group Gross Margin

+258%
Increase in ENGAGE user
base

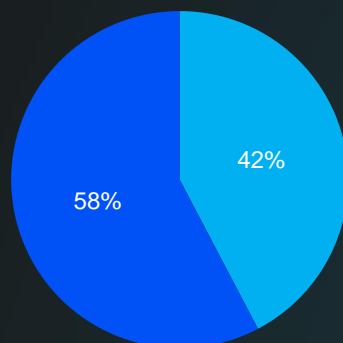
€7.8m
Cash at Year End

FY2021 | ENGAGE is growing

Year ended 31 December	2022 (€)	2021 (€)	% Change
Revenue	2,386,313	1,416,567	+68%
ENGAGE	1,791,416	599,362	+199%
Non-ENGAGE	594,897	817,205	(27%)
Gross Profit	1,893,917	1,012,945	+87%
Gross profit margin	79%	72%	+7%
Cash and cash equivalents	7,790,060	2,032,717	+283%

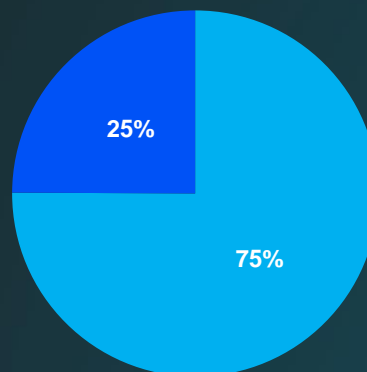
FY20 Revenue Split

■ ENGAGE ■ Non-ENGAGE



FY-21 Revenue Split

■ ENGAGE ■ Non-ENGAGE

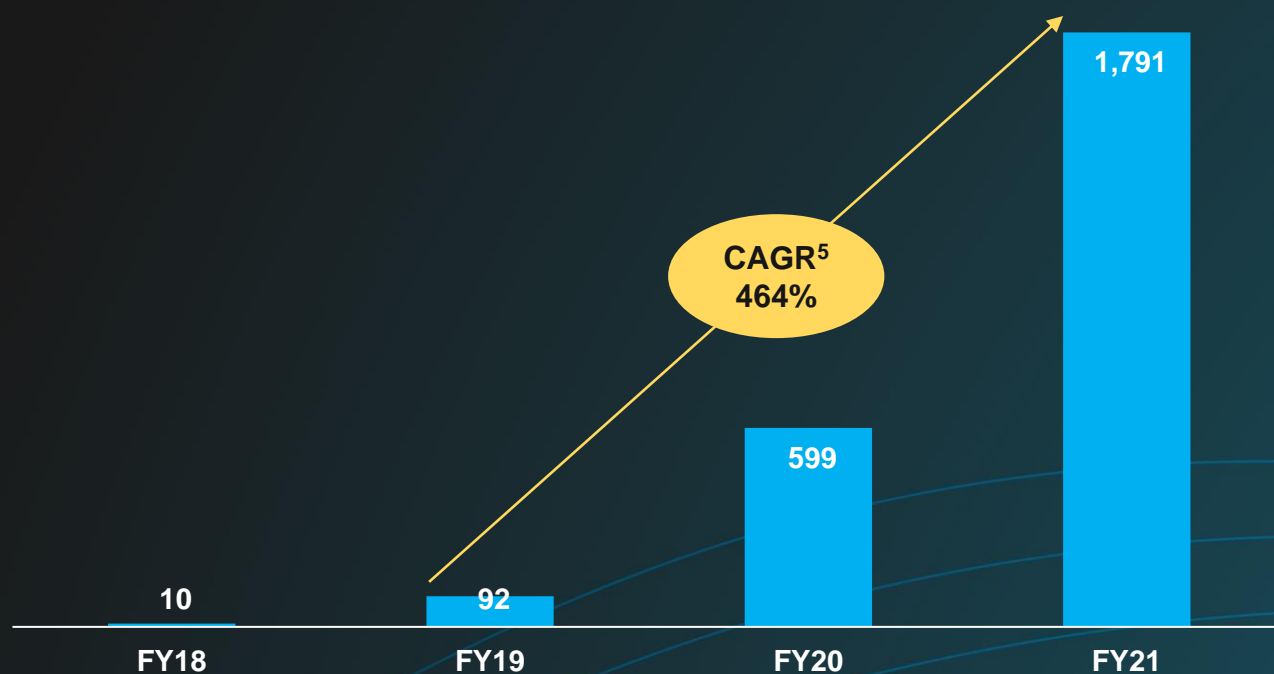


- Generated FY21 revenue of **€2.4m** up approx. 68% on prior year
- ENGAGE revenue up by **199%**, now accounting for greater than 75% of Group revenues
- Non-ENGAGE revenue, principally Showcase Experiences, down from prior year due to shift in focus to purely the ENGAGE platform and the huge opportunities for growth there.
- 7% increase in gross profit margin from 72% in **FY20** to **79% in FY21**, primarily due to greater ENGAGE contribution
- Cash balance of approx. **€7.8m** with net monthly cash burn running at approx. €0.25m at year end

FY2021 | ENGAGE Momentum

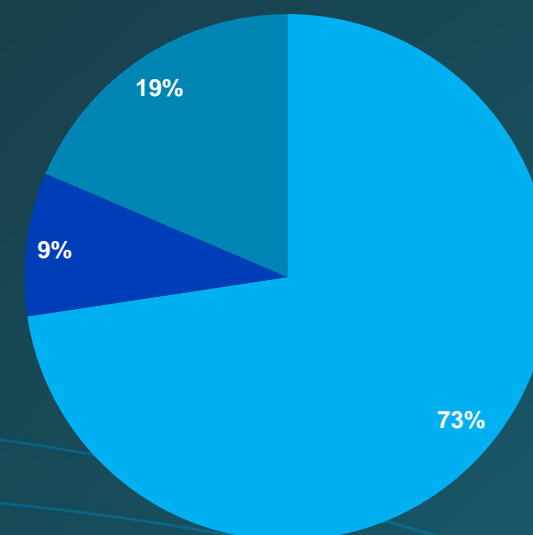
ENGAGE continued to gain traction across Enterprise and Education clients during 2021 which saw continued growth in ENGAGE revenue year on year

ENGAGE Revenue ²



FY21 Revenue by Type

■ Recurring ³ ■ Professional Services ■ Non-Recurring ⁴



¹ Figures are in €000's unless otherwise stated.

² ENGAGE revenue comprises of ARR, professional services fees and one-off events.

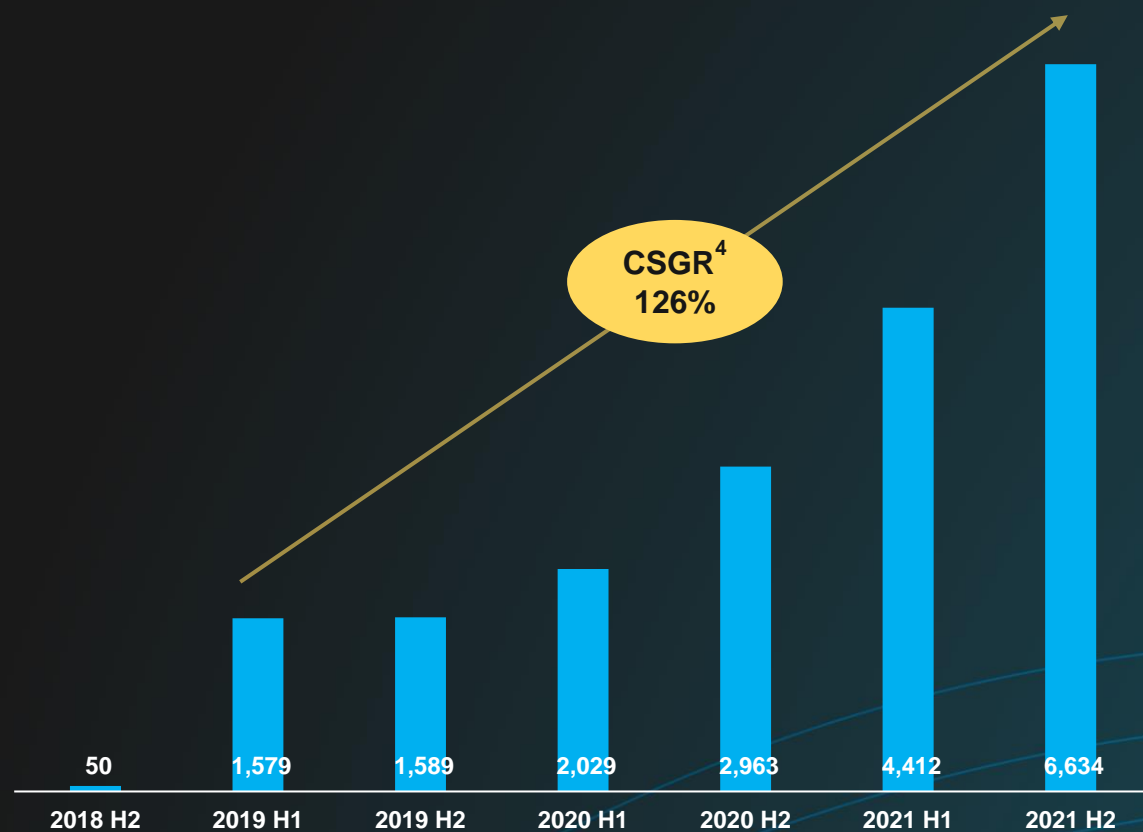
³ FY21 recurring revenue reflects the majority of subscription revenue from ENGAGE clients for Virtual Office and Virtual Campus.

⁴ Virtual Events will be accounted for as non-recurring revenue although clients may contract multiple events.

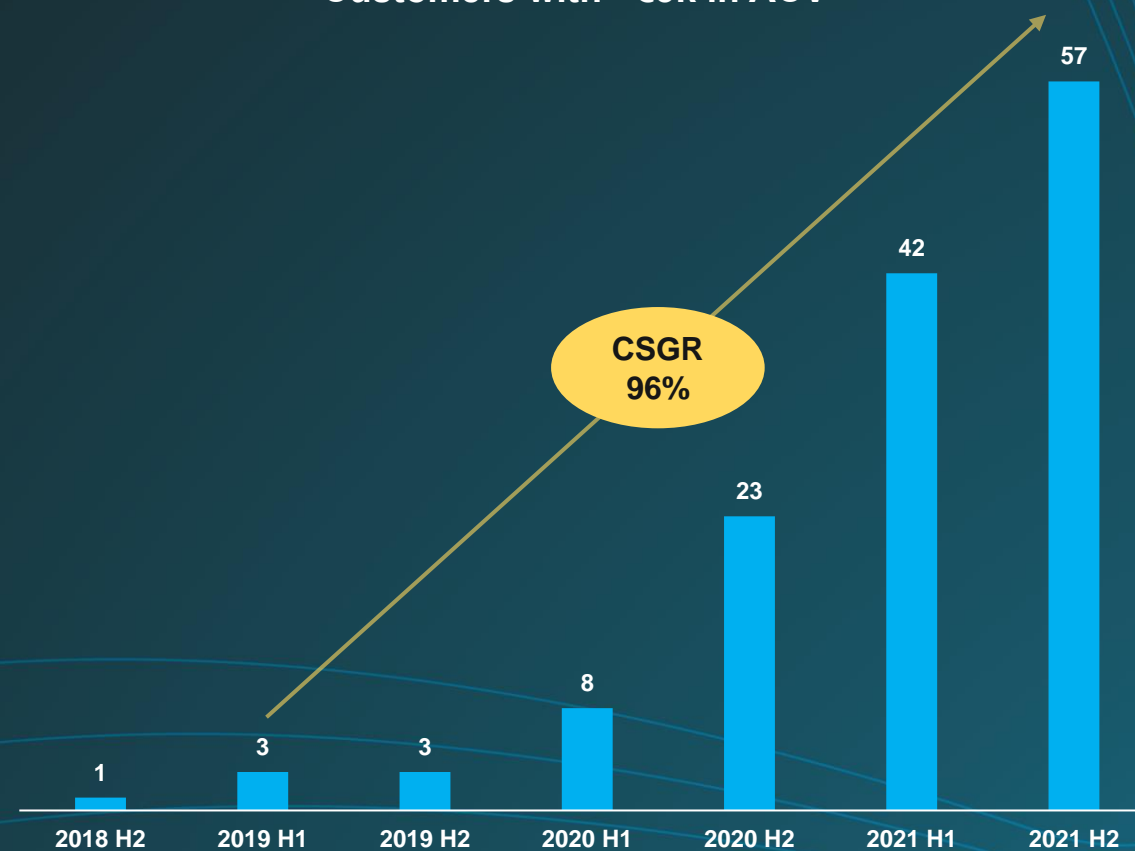
⁵ CAGR is for the period 1 January 2019 to 31 December 2021

FY2021 | ENGAGE Momentum

Total Licenses²



Customers with >€3k in ACV³



¹ Figures are in €000's unless otherwise stated.

² At period end. Classified as a license if active as of 30 June (H1) or as of 31 December (H2).

³ Annual contract value is the average annualized revenue per customer contract, excluding any one-time fees. Includes only contracts that were active during the year.

⁴ CSGR is compound semi-annual growth rate from 1 January 2019 to 31 December 2020.

Selection of ENGAGE Clients



Medium Term Outlook | KPIs

Growth of ENGAGE revenue in excess of 100%

- Deliver average annual revenue CAGR from ENGAGE in excess of **100%** until **€10 million** target achieved by 2025
- ENGAGE Revenue of **€1.8m** (FY20: €0.6m), an increase of almost **200%**

Gross Margin in excess of 80%²

- EXR gross margin to reach level in excess of **80%** once ENGAGE revenue is between €5m – €10m
- 2021 Gross margin of **79%** (FY20: 72%)

10% average MoM increase in users³

- **10%** average month on month increase to reach **100,000** monthly users, reflecting a target **500** active customers³
- Active enterprise and education customers at 31 December 2021 of **139** (31 December 2020: 44)

CRR of 80%+⁴

- Forecast revenue retention rate of ENGAGE customers classified within ENGAGE ARR of at least **80%**
- Revenue retention rate of **178%** in FY21 (No comparative in FY20)

ACV of €20,000+⁵

- Estimate growth in average annual contract value to **€20,000+**, reflecting the targeted Enterprise and Institutional client base and ENGAGE value proposition
- Average recurring contract value increased to **€16k** (FY20: €15k)

¹ Annual Recurring Revenue is defined as recurring ENGAGE licence revenue. Recurring licence revenue excludes event licences.

² Gross Margin reflects group wide revenue less group wide cost of sales.

³ Users represents the renewal of customers not on a trial licence (i.e. licences with a value greater than €3,000 per annum).

⁴ Customer Retention Rate calculated as revenue generated from recurring customers at end of the period divided by revenue generated from recurring customers at end of prior period . Excludes customers on a trial license.

⁵ Annual Contract Value calculated as the average non-trial recurring license revenue from customers, while including 25% of associated professional services value based on the expectation of required additional support / custom content creation.

The background image shows a group of people, likely students, in a classroom or training environment. They are wearing VR headsets and holding controllers, suggesting an immersive learning experience. The image is overlaid with a semi-transparent dark blue band containing the title text. There are also decorative blue wavy lines at the bottom of the slide.

02

ENGAGE – New MetaVerse Offer

Overview

Built on top of the ENGAGE platform, our metaverse offer, codenamed ENGAGE Oasis, aims to provide unparalleled customisation options for users. It allows for the easy creation of unique digital spaces, or **MetaWorlds**, which can be linked together in a fully persistent digital world via our portals system.

Our Metaverse offer is focused on professional enterprise use cases and can be utilised for public events, product launches and sales experiences to name a few.

ENGAGE Oasis will be accessible through a wide range of devices such as mobile phones, tablets, PCs and most major VR devices including the Oculus Quest, HTC Vive and Pico devices.

MetaWorlds are controlled by the users that own them and can be published or used privately as a replacement for a physical office location.

ENGAGE – Real Business Done Virtually



Metaverse codenamed "Oasis"

What is a MetaWorld ?

A MetaWorld is any persistent virtual location (hosted on ENGAGE servers). The user can make the MetaWorld available to the public (e.g. customer) to explore or host it privately for inter-company communications (e.g. training).

MetaWorlds can be built using a range of templates which ENGAGE offers. Alternatively MetaWorlds can be custom developments built either by the ENGAGE team or third-party developers.

MetaWorlds are typically used for:

- Product Launches and Promotions
- Immersive Experiences
- Company Events
- Private Meetings
- Education
- Training & Development

MetaWorlds can be linked directly to each other in a small network configuration such as our Business Campus or linked to a wider Metaverse network (including, ours codenamed "Oasis").

ENGAGE supports the open Metaverse and is open to linking with other platforms when requested.

Current MetaWorld Examples inside ENGAGE



What is a MetaVerse ?

A Metaverse is a collection of networked persistent virtual worlds (MetaWorlds) where users can explore content, attend events and purchase items.

Our public metaverse is codenamed "Oasis" and is based on a plaza system where we have themed plazas for different types of use cases.

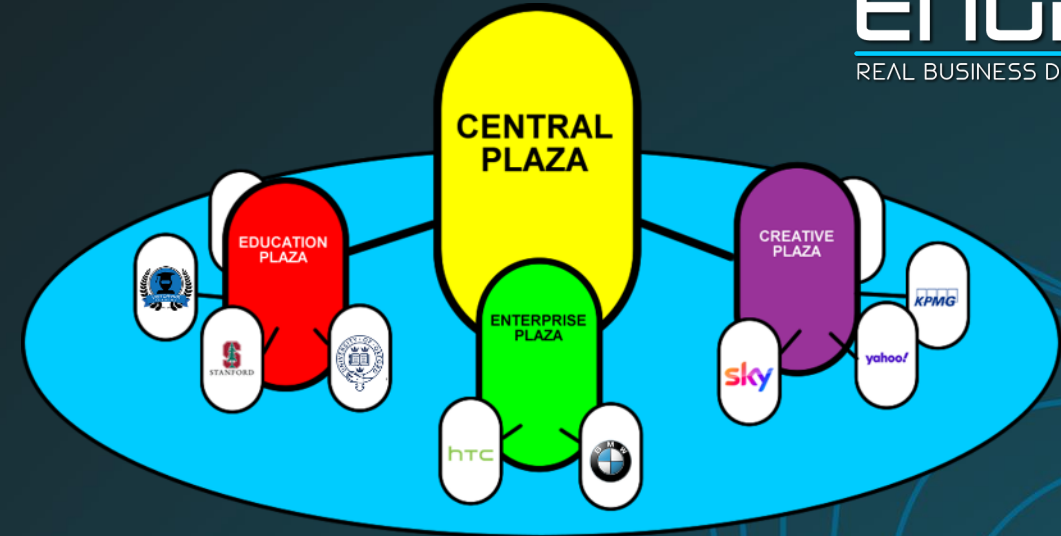
Early Plaza locations include:

- Enterprise Plaza
- Creative Plaza
- Central Plaza
- Education Plaza

Central Plaza is the default location for all new users entering Oasis and will be used for special events and promotion.

All MetaWorlds inside ENGAGE Oasis are linked together via portals which are a type of bridge between locations. Sub sections of MetaWorlds are grouped together via virtual Plazas which serve as central nodes for easy navigation.

Metaworlds can either be visited by exploring or entered directly using a deep link.



Simple High Level Network Structure



Example Free Floating Portal



Central Plaza Work In Progress

Security & Meta Traversal

At ENGAGE XR we subscribe to the notion of connectivity and security. Our Metaworlds enable owners to set controls and the laws that govern what happens within.

If you want to have a private world for employees only, you can. If you want to disable VOIP for free users you can. You built the world, you set the rules. ENGAGE Oasis aims to be the only metaverse platform with ISO 27001 certification, and based in the EU, it is GDPR compliant.

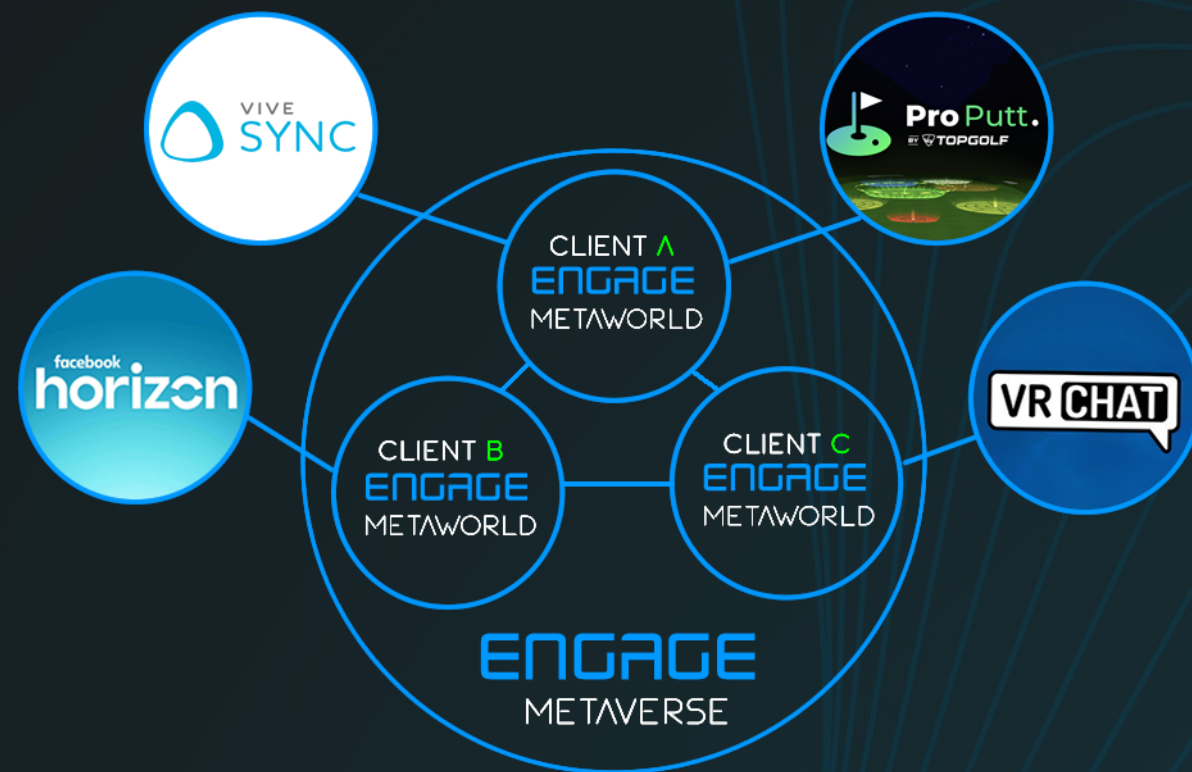
At ENGAGE XR we also support MetaTraversal where different platforms are interconnected to provide seamless connections just like surfing the internet today.

Some metaverse platforms will be great for entertainment, kids games and concerts. Some will be used for dating, commerce and professional events. At ENGAGE XR we have the ability to link to other platforms where needed using our deep link system.

NOTE: Meta Traversal requires additional professional setup from the ENGAGE XR team. Currently we can support third party applications on Oculus Quest and VivePort only. More will be available soon.



Meta Traversal



Using deep links and portals client MetaWorlds can be bridged to 3rd party applications. Users simply walk through a portal which is bridged to the 3rd party application to access it.

Example ENGAGE Use Cases: The following videos are just a few example client use cases for MetaWorlds



3M

3M Home focuses on transforming the customer experience allowing them to interact, engage and collaborate with 3M materials and technologies in real time from anywhere in the world. 3M Home expands the ability to connect with customers in an immersive virtual experience and helps demonstrate what's possible with 3M.



OPTIMA FOUNDATION

Using VR headsets, students learn through live instruction in this virtual education MetaWorld. This virtual school is backed by the Governor of Florida and used daily by over 1000 students.



htc

HTC Vive have run various projects within ENGAGE using custom MetaWorlds they have designed themselves. HTC have also run professional events for their own clients using custom created content to rebrand their own MetaWorlds where needed. The example above is one such event.

EXPECTED LAUNCH
H2 2022

03 Execution



Execution | TEAM to Deliver



David Whelan
Founder, CEO



Sandra Whelan
Founder, COO



Seamus Larrisey
CFO



Richard Allin
Chief Revenue Officer- USA



Jonathan McDonald
CTO, Operations Mgmt.



Kyle Horner
Head of Marketing & Digital - USA



Chris Madsen
Customer Success, Business Development - USA

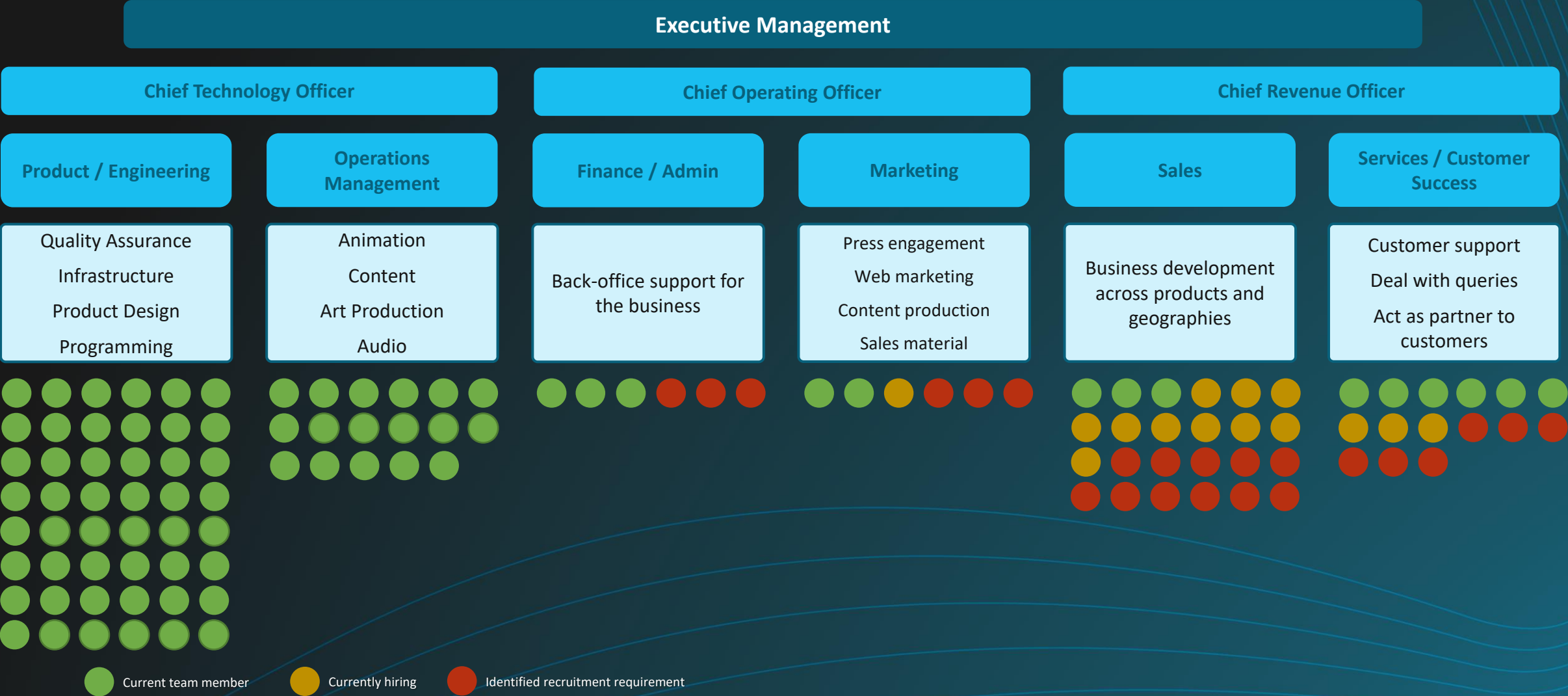


Eileen Dillon
Technical Project Manager



David James
Head of Studio

Execution | Building the Organisation



Note: Team members in green above exclude executive management

Execution | Outlook

- New sources of Revenue will open post Metaverse launch. Current revenue being generated from ENGAGE is limited to user licenses, event support and custom development.
- ENGAGE is being used by the two most prominent VR companies Meta and HTC for business events, internal client demos and Metaverse services.
- Significant increase in ENGAGE Userbase. Growth is rapidly evolving with the majority of users being professionals and client employees.
- Hired Chief Revenue Officer – USA
 - Allocated 6 additional business hires based in the USA
- Hired Director of Marketing – US
 - Allocated 2 additional marketing hires to work in this team
- Hired one of the largest PR companies in the US, 5WPR, to make the ENGAGE brand an everyday word for Metaverse solutions.

Appendix



Financial Summary – Income Statement

Year ended 31 December	2021 (€)	2020 (€)	% Change
Revenue	2,386,313	1,416,567	+68%
Cost of Sales	(492,396)	(403,622)	+22%
Gross Profit	1,893,917	1,012,945	+87%
Gross Profit %	79%	72%	+7%
Administrative Expenses	(5,007,421)	(3,734,071)	+34%
Operating Loss	(3,113,504)	(2,721,126)	+14%
EBITDA	(2,769,247)	(2,115,306)	+31%
Finance Costs	(16,767)	(7,316)	+129%
Total comprehensive loss for the year	(3,130,271)	(2,728,442)	+15%

- FY21 revenue of €2.4m up approx. 68% on prior year
- Increase in gross profit margin from 72% in FY20 to 79% in FY21 primarily due to greater ENGAGE contribution
- Increase in administrative expenses primarily driven by increase staff numbers during 2021 as the Group grows.
- Increase in EBITDA loss driven by rise in administrative expenses offset by increase in gross profit

Financial Summary – Balance Sheet

Year ended 31 December	2021 (€)	2020 (€)	% Change
<i>Non-Current Assets</i>			
Fixed & Intangible Assets	528,529	1,047,960	-50%
<i>Current Assets</i>			
Trade & Other Receivables	645,890	358,277	+80%
Cash and cash equivalents	7,790,060	2,032,717	+283%
<i>Total Current Assets</i>	<i>8,435,950</i>	<i>2,390,994</i>	<i>+253%</i>
Total Assets	8,964,479	3,438,954	+161%
<i>Equity & Reserves</i>	<i>8,462,510</i>	<i>3,022,394</i>	<i>+180%</i>
<i>Liabilities</i>			
Trade and Other Payables	481,576	357,421	+35%
Operating Lease Liability	20,393	59,139	-66%
<i>Total Liabilities</i>	<i>501,969</i>	<i>416,560</i>	<i>+21%</i>
Total Equity & Liabilities	8,964,479	3,438,954	+161%

- Trade and other receivables were €646k, ahead of trade and other payables at €482k
- Trade receivables represented an average of 80 debtor days (2020: 74 days). No history of bad debts within the group
- Cash position on 31 December 2021 was €7.8 million with no debt
- Cash balance was significantly strengthened during 2021 by an oversubscribed fundraise of €9m before expenses

Financial Summary – Cash Flow

Year ended 31 December	2021 (€)	2020 (€)	% Change
Adjusted loss from continuing operations	(3,130,271)	(2,728,442)	+15%
<i>Less:</i>			
Capitalised software development costs	-	(114,222)	-100%
Property, plant & equipment	(115,699)	(12,852)	+800%
<i>Plus:</i>			
Proceeds from issuance of shares	8,466,424	2,937,872	+188%
Other	700,347	646,354	+8%
Working capital movement	(163,458)	11,155	-1,565%
Net cash inflows/(outflows) in period	5,757,343	739,865	+678%
Opening cash	2,032,717	1,292,852	+57%
Closing cash	7,790,060	2,032,717	+283%

ENGAGE Features



Scalable Server Deployment

ENGAGE scales as needed to accommodate large scale demand using AWS and Photon services.



Single Session Avatars

Display and host up to 70 avatars in a single room/session at once on standalone devices such as Quest and Focus.



Recorded Projected Presence

Need to reach more than 70 users in a single session? Use our projected presence system and clone your avatar into multiple rooms at the same time. Ideal for large events hosting thousands of users at once.



Media Streaming

Share all types of media including 2D, 3D, and 360 video support, integrated web browsing, YouTube and full desktop screen sharing.



MetaWorlds

Hold sessions in several different MetaWorld locations from event locations, concert venues, arcade cabinets, business campus, planets, etc.



User Management

Setup your organization and manage your teams access to private content, private MetaWorlds and premium features.



Build & Share Content

Create content within the ENGAGE platform using our spatial recording feature or create immersive content with our inbuilt editor.



ENGAGE SDK

Create immersive experiences and import Worlds using the ENGAGE SDK which supports Unity3D made projects.



Cross Platform Support

ENGAGE has cross platform support for all the major VR platforms and it also supports standard Desktop PC's, Tablets and Phones.



Quizzes and Forms

Create and manage your own quizzes and forms using our web app and deliver them to users inside your virtual sessions.



Cloud Sharing Integration

Connect your account to Google Docs, OneDrive or Dropbox to share documents and cast them on our virtual screens inside unique MetaWorlds.



1200+ Free 3D Objects

Using our ENGAGE IFX system you can load 3D objects and effects into your virtual environments.



Session Scheduling

Schedule events, meetings, classes or conferences using our web app and invite users to your sessions.

ENGAGE Web App Access
app.engagevr.io

Board of Directors

David Whelan
Chief Executive Officer

David is a tech entrepreneur and founder of VR Education. He is a former Editor in chief of Virtual Reality Reviewer and a multi-awarding winning VR director and producer with 10+ years web development background in app creation and programming large CRM systems. Winner of the TimeWarner Award and nominated at the Venice Film Festival as best director for his work with the BBC on 1943 Berlin Blitz VR experience.

Richard Cooper
Non – Executive Chairman

Richard has over 25 years experience being a director of listed public companies, both on AIM and the FTSE250. Currently CFO at Equals Group plc, but prior to that GVC Holdings plc (now “Entain”). He also served as head of the audit committee at Sportech plc from 2017 to 2018.

Séamus Larrisey
Chief Financial Officer

Séamus has over 15 years experience in finance. His previous roles included a senior finance position at TSSG Group looking after 100+ staff and researchers and as an auditor for Ernst & Young.

Sandra Whelan
Chief Operating Officer

Sandra is a former Editor at Virtual Reality Reviewer. She has considerable experience including many years in corporate accounts management at E-Drive Group Telematics. Sandra was in charge of large corporate contracts.

Kenny Jacobs
Non – Executive Director

Kenny Jacobs is the former Chief Marketing Officer of Ryanair PLC where he oversaw digital, sales & marketing and customer service as the airline doubled in size from 2014-2020. Previously was the Chief Marketing Officer of Moneysupermarket PLC and Tesco. He is currently the founder at H&H Consulting and advising clients in retail, aviation and technology sectors.

Praveen Gupta
Non – Executive Director

Current VP of HTC Investments and Partnerships. Praveen has a wealth of experience in corporate business development and M&A with previous roles such as VP corporate and business development at SK Telecom, Director at Lucent/Nokia and executive director and partner at CDIB Ventures and management positions at Fujitsu-ICL Systems.