



Final Results

For the year ended 31 December 2018

6 March 2019

Presenting Today

David Whelan, CEO

Sandra Whelan, COO

Séamus Larrisey, CFO

VREDUCATION
HOLDINGS

WHAT WE DO

VR social learning & training platform
delivering live & recorded presentations/lectures



Standalone experiences being developed to showcase
platform assets and generate early revenue

2018 FINANCIAL HIGHLIGHTS

- Turnover for period to 31 December 2018 up 15% at €0.7m (FY 2017: €0.6m)
- EBITDA loss of €1.5m (FY 2017: €0.5m) in line with management expectations
- Expenditure run-rate approx. €250k per month
- Cash position at 31 December 2018 at €3.5m
- Raised £6m via the oversubscribed IPO in March 2018

2018 OPERATIONAL HIGHLIGHTS

- Apollo 11 VR educational experience selected to be part of the launch collection for Oculus Go, Oculus' new all-in-one VR headset
- Team strengthened with key strategic hires including a new Chief Technology Officer
- Loren Carpenter, one of the founders of Pixar Animation Studios, appointed as an adviser
- Launch of Titanic VR on Oculus Store, Steam Store and PlayStation Store
- Delivery of BBC project 1943: Berlin Blitz (nominated for a Venice Film Festival award)
- Commercial launch of ENGAGE in December 2018 and first commercial customers secured on ENGAGE Education and ENGAGE Enterprise

A FOCUSED STRATEGY

ESTABLISH ENGAGE AS A WORLD LEADING DIGITAL EDUCATION & CORPORATE TRAINING PLATFORM

OBJECTIVE

Provide students, educators and corporate trainers with an alternative to attending bricks and mortar institutes or expensive onsite simulated training

STRATEGY

- 1 Drive commercial adoption and revenue on ENGAGE VR social learning & training platform**
 - Partner with leading educational institutes and corporate trainers to help them provide content within the ENGAGE platform
 - Partner with VR/AR hardware manufacturers to package tailor-made solutions for corporate/simulated training such as safety/medical training
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- 2 Provide complementary content attached to showcase experiences, produced and released on a regular basis**

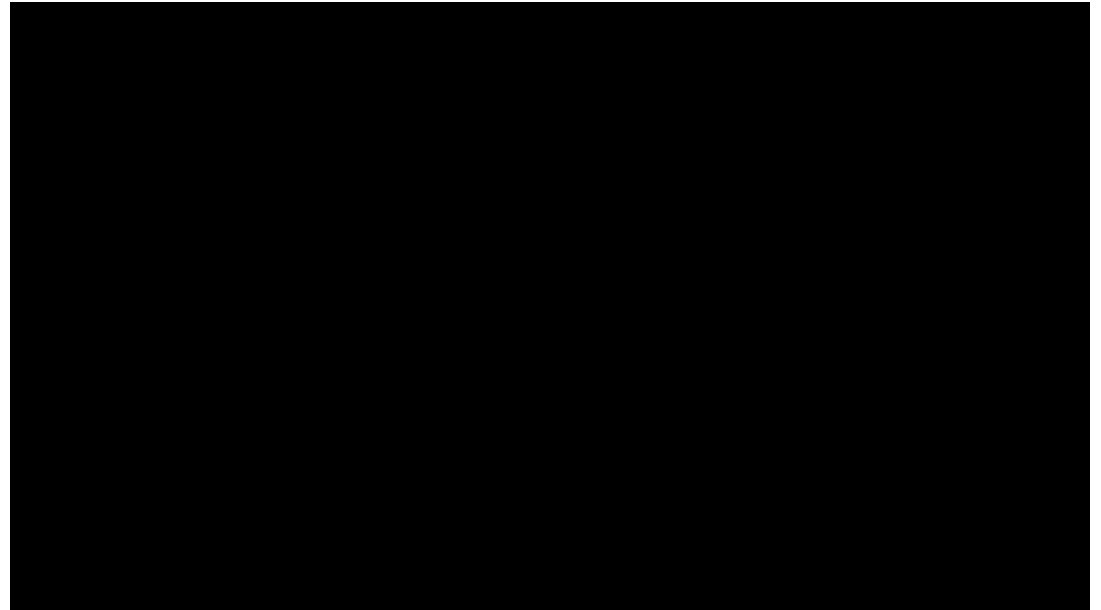
OUR PLATFORM

SHORT PLATFORM OVERVIEW



Engage allows users to provide

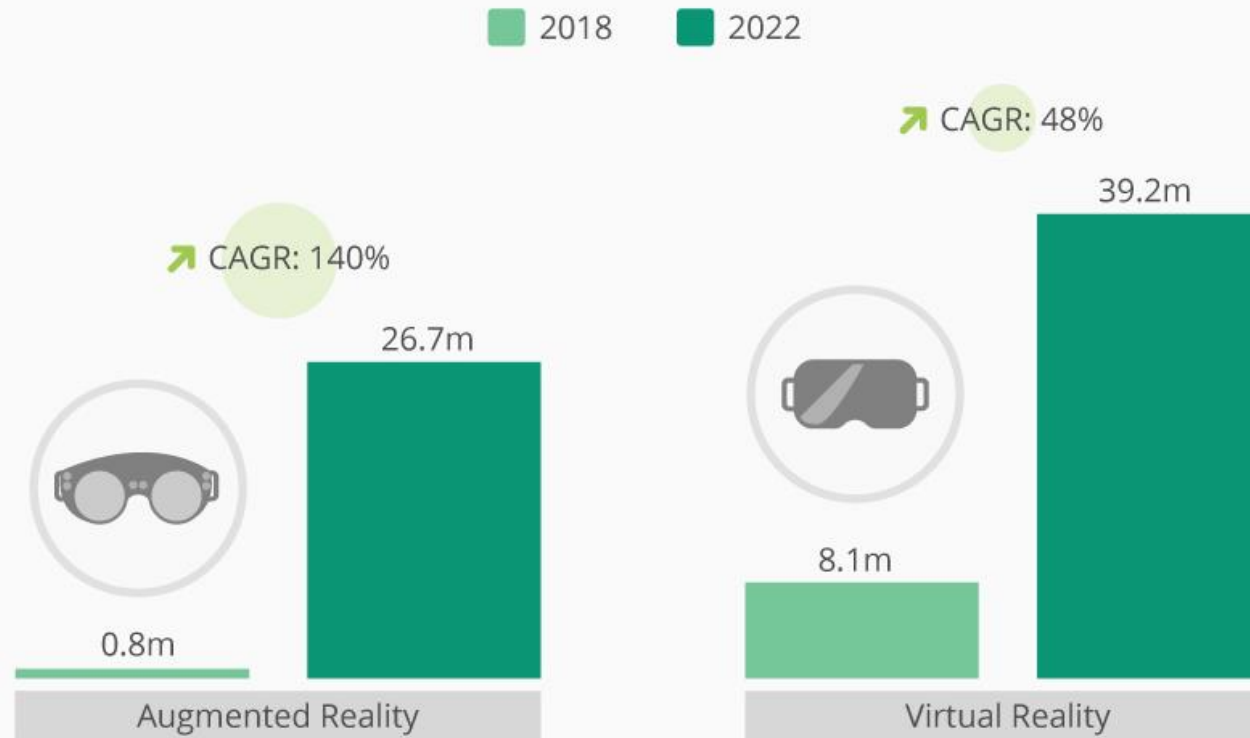
- Remote distance learning
 - Teacher & presenter presence
 - Full communication both verbal & non-verbal
 - Fully immersive learning environments
 - Interactive testing
 - Interactive learning through simulated tasks
 - Social / group learning with peer support tools
- Collaboration tools
 - Live and recorded presentations & lectures
 - Screen casting, 360 video streaming, media playback
 - Recorded class activity playback
 - 4D effects



VR/AR MARKET UPDATE

GROWTH OF IMMERSIVE TECHNOLOGIES

Estimated worldwide unit shipments of augmented & virtual reality devices*



* incl. screenless viewers, standalone and tethered head-mounted displays;
forecast as of June 2018

Source: IDC

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[Capgemini](#) Research Institute

700 executives surveyed

46% of companies believe immersive technology will be in their organizations within the next 3 years

82% of companies currently implementing AR/VR say the benefits are either meeting or exceeding their expectations

A copy of the report can be downloaded [here](#)

NOTE: VR Education will support all wearable immersive devices AR/VR and MR.

VR/AR MARKET UPDATE

2019 Generation 2.0 Hardware

2019 will see the release of additional standalone VR hardware which do not require PC's to provide a high end user experience. ENGAGE will support the below devices, providing a smaller barrier to entry for many users. All devices below cost less than an iPad which many schools have purchased in the past.



oculus quest

\$399



Pico

\$360



VIVE FOCUS

\$599

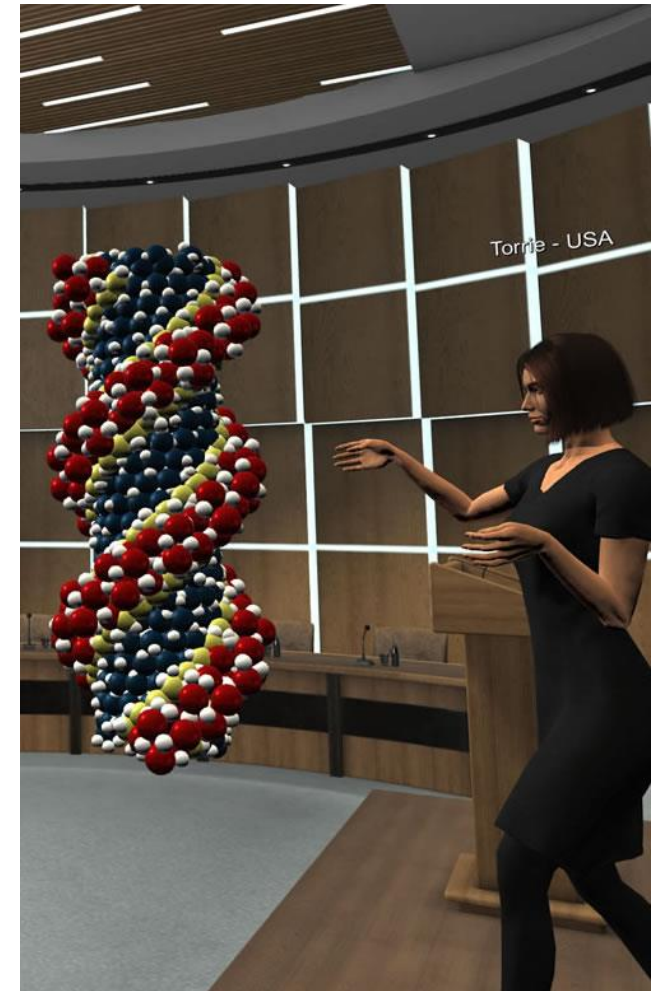
Note: Oculus Quest release due in Spring 2019

ENGAGE UPDATE

FIRST COMMERCIAL VERSION OF ENGAGE LAUNCHED IN DECEMBER 2018

New features included

- Payments system
- Scheduling & User management
- Web application / management system
- New Avatar System
- Desktop Streaming
- Google Docs, Dropbox and OneDrive Integration
- Quiz Creator & Test assessment system
- New network management and private server setup options
- Additional virtual locations
- Additional IFX (3D / Models)
- Additional content





FINANCE SUMMARY

FINANCIAL SUMMARY: INCOME STATEMENT

€'000	2018	2017
Revenue	716	624
Gross Profit	477	324
EBITDA	(1,545)	(456)
Adjusted loss from continuing operations ¹	(4,944)	(624)

1. Adjusted loss from continuing operations includes:
 - a. A non-cash fair value loss arising on derivate financial liabilities of €2.6 million arising from the conversion of convertible debt and preference shares to ordinary equity in Immersive VR Education Limited ("IVRE") prior to the acquisition of IVRE by the Group.
 - b. Extinguishment costs of €0.3 million comprising a non-cash element of €0.2 million arising from share warrants issued to debt and preference shareholders in IVRE on conversion and €0.1 million cash contributions made by IVRE to debt and preference shareholders as part of the commercial agreements entered into on conversion.

FINANCIAL SUMMARY: BALANCE SHEET

€'000	2018	2017
Property, plant and equipment	59	57
Intangible assets – software in development	956	436
Trade and other receivables	394	238
Cash and short term deposits	3,486	104
Total assets	4,895	835
Trade and other payables	195	383
Interest bearing loans and borrowings	-	1,117
Issued share capital and share premium	21,781	-
Other reserves	(11,315)	157
Retained earnings	(5,766)	(822)
Total equity and liabilities	4,895	835

FINANCIAL SUMMARY: CASH FLOW

€'000	2018	2017
Adjusted loss from continuing operations	(4,944)	(624)
Less: Capitalised software development costs	(696)	(371)
Property, plant & equipment	(52)	(56)
Add: Proceeds from IPO	6,180	-
Proceeds from debt/preference shares	-	950
Other	310	112
Other: Exceptional items	2,925	(126)
Working capital movement	(342)	150
Net cash inflows in period	3,381	35
Opening cash	104	69
Closing cash	3,485	104

- Company is in a positive cash position at the end of December 2018 of €3.5m
- Company is debt free

APOLLO 11

HUGELY POPULAR VR EXPERIENCE ACROSS DIFFERENT PLATFORMS

- Multi-award winning experience based on the Apollo 11 landing
- Available on Oculus, Steam, Viveport and PlayStation Store
- >170k copies sold
- Revenue so far €1.4 million
- HD update released in Q4 2018



TITANIC

VIRTUAL EXPLORATION OF THE WORLDS MOST FAMOUS SHIPWRECK

- Interactive exploration game and historically accurate experience based on eye-witness testimony and substantial research
- Available on Oculus, Steam and PlayStation Store
- >25k copies sold
- Revenue so far €0.3m





CURRENT TRADING & OUTLOOK

CURRENT TRADING & OUTLOOK

Current

Successful launch in December 2018 of ENGAGE v1.0. First commercial customers secured.

Successful launch in November 2018 of Titanic VR on PlayStation. Now available on all major platforms.

Apollo 11 HD released in Q4 2018. Well received to date.

Outlook (2019)

Attended BETT Conference and GESS Dubai promoting ENGAGE at the largest EdTech events held within those regions.

Successfully hired 2 experienced business developers. One from Pearsons and another from GL Assessment.

Launch of 2 new showcase experiences for this year which are the IP of the group. Also porting current software to second generation VR hardware.



APPENDIX

APPENDIX 1 – STATEMENT OF COMPREHENSIVE INCOME

	2018 €	2017 €
Revenue	716,345	624,487
Cost of Sales	<u>(239,701)</u>	<u>(300,143)</u>
Gross Profit	476,644	324,344
Administrative Expenses	(2,247,337)	(876,858)
Other Income	<u>-</u>	<u>60,333</u>
Operating Loss	(1,770,693)	(492,181)
Fair value (loss)/gain arising on derivative financial liabilities	(2,638,063)	125,764
Extinguishment Costs	(267,971)	-
IPO Transaction Costs	(237,202)	(202,940)
Finance Costs	<u>(29,977)</u>	<u>(54,342)</u>
Loss before Income Tax	(4,943,906)	(623,699)
Income Tax Credit	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>(4,943,906)</u>	<u>(623,699)</u>

APPENDIX 2 – STATEMENT OF FINANCIAL POSITION

	2018 €	2017 €
Non-Current Assets		
Property, Plant & Equipment	59,541	57,300
Intangible Assets	956,550	435,791
	<u>1,016,091</u>	<u>493,091</u>
Current Assets		
Trade and other receivables	394,114	238,315
Cash and short term deposits	3,485,186	103,577
	<u>3,879,300</u>	<u>341,892</u>
Total Assets	<u>4,895,391</u>	<u>834,983</u>
Equity Attributable to Shareholders		
Issued share capital	(193,136)	-
Share premium	(21,587,539)	-
Other reserves	11,314,729	(157,280)
Retained earnings	5,765,750	821,844
Total Equity	<u>(4,700,196)</u>	<u>664,564</u>
Non-Current Liabilities		
Interest bearing loans and borrowings	-	(907,180)
Derivative financial liabilities	-	(209,348)
	<u>-</u>	<u>(1,116,528)</u>
Current Liabilities		
Trade and other payables	(195,195)	(383,019)
Total Liabilities	<u>(195,195)</u>	<u>(1,499,547)</u>
Total Equity and Liabilities	<u>(4,895,391)</u>	<u>(834,983)</u>

APPENDIX 3 – STATEMENT OF CASH FLOWS

	2018 €	2017 €
Loss before income tax	(4,943,906)	(623,699)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation of fixed assets	49,984	36,621
Amortisation of intangible assets	175,300	-
Fair value loss/(gain) arising on derivative financial liabilities	2,638,063	(125,764)
Non-cash element of extinguishment costs	174,651	-
Non-cash element of advisor warrants	112,381	-
Finance Costs	29,977	54,342
Share Option Expense	30,145	20,180
Movement in trade & other receivables	(155,799)	(201,710)
Movement in trade & other payables	(185,878)	351,339
	<u>(2,075,082)</u>	<u>(488,691)</u>
Bank interest & other charges paid	(29,977)	(264)
Net Cash used in Operating Activities	<u>(2,105,059)</u>	<u>(488,955)</u>
Cash Flows from Investing Activities		
Purchases of property, plant & equipment	(52,226)	(56,326)
Payments to develop Intangible Assets	(696,059)	(370,514)
Net cash used in investing activities	<u>(748,285)</u>	<u>(426,840)</u>
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	6,234,953	12,000
Proceeds from issuance of preference shares	-	250,000
Proceeds from issuance of convertible loans	-	688,000
Net cash generated from financing activities	<u>6,234,953</u>	<u>950,000</u>
Net increase in cash and cash equivalents	3,381,609	34,205
Cash and cash equivalents at beginning of year	<u>103,577</u>	<u>69,372</u>
Cash and cash equivalents at end of year	<u>3,485,186</u>	<u>103,577</u>

APPENDIX 4 – A TEAM TO DELIVER

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. Former Irish rugby player and winner of the TimeWarner Award and nominated at the Venice Film Festival as best director for a VR BBC Berlin Blitz.

Séamus Larrissey

Chief Financial Officer

Séamus has over 12 years experience in finance. His previous roles a senior finance position at TSSG Group looking after 100+ staff and researchers and as an auditor for Ernst & Young.

Richard Cooper

Non – Executive Chairman

Richard has over 25 years experience as an FD, in both publicly traded and privately owned companies in a variety of service industries including gaming, insurance, and financial services. Significant operations and M&A skills. Highly commercial and with extensive contacts in the City and the Gaming sector. LSE Official list, AIM and TSX technical experience.

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.

Tony Hanway

Non – Executive Director

Current C.E.O of Virgin Media Ireland. Tony is a results driven CEO with 20 years experience in the ICT and media sectors. Strong commercial acumen with proven track record in Sales, Retail, E-commerce, Contact Centres, Business Transformation and M&A.

Michael Boyce

Non – Executive Director

With over 20 years of sales experience in the UK education sector, his knowledge and expertise of both strategic and pedagogical approach of ICT into Education is outstanding.



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