



2022 Full Year Results Presentation

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What is **ENGAGE?**

ENGAGE is a business-focused 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.



Stanford
University

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.

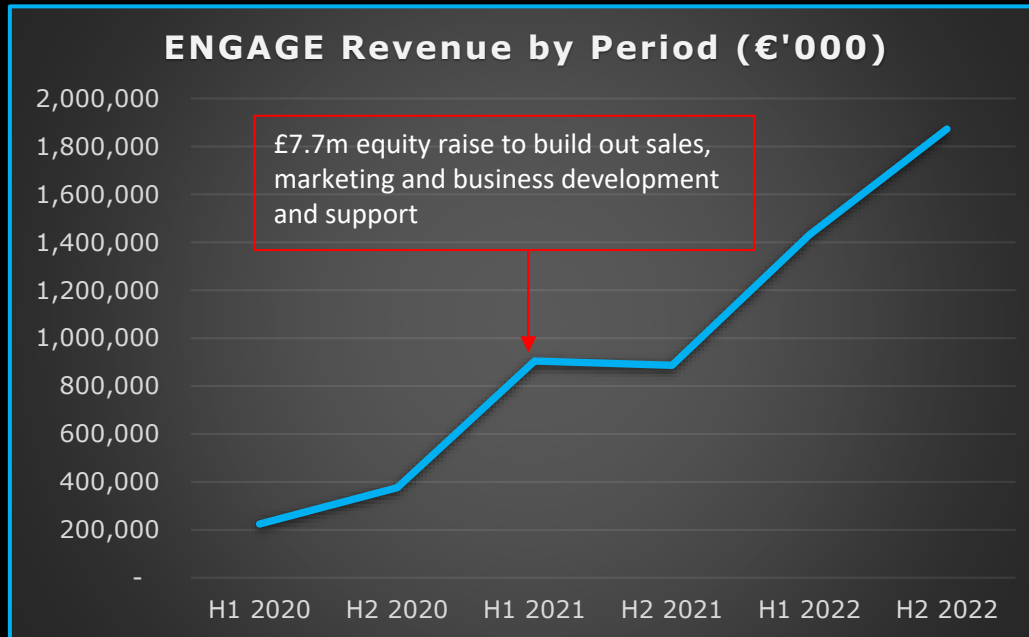
Eventually, all metaverse platforms will be cloud rendered and linked together providing users with seamless exploration and services similar to hyperlinked website functionality today.



Financial Overview 2022

Engage Platform Growth Story

Huge growth in ENGAGE revenue in the past 12 months with no slowdown post pandemic



+86%
ENGAGE Revenue
(FY22 v FY21)

121%
Revenue Retention
Rate

€21k
Average Deal Size
(€17k FY21)

14
Deals >€75k FY22
(4 FY21)

ENGAGE FY22 revenue totals €3.3m up 86% from €1.8m in FY21
Cash position at 30 April 2023 of €10.3m, following oversubscribed equity raise of €10.5m (before expenses) in Q1 2023

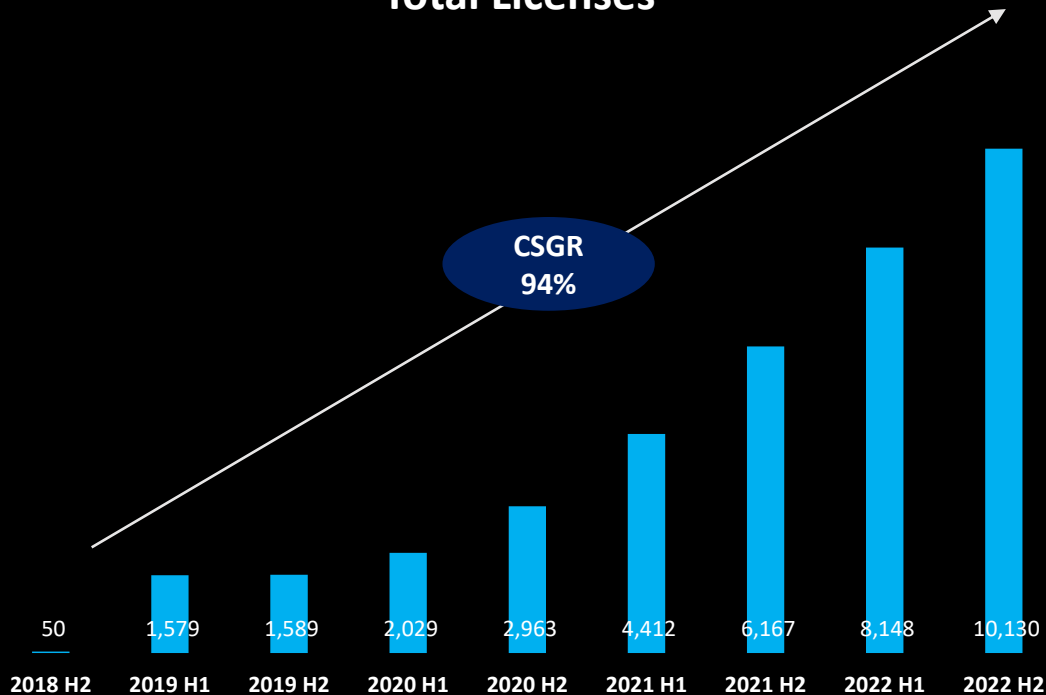
Engage Platform Growth Story

Underlying business KPIs evidencing continued traction during FY22

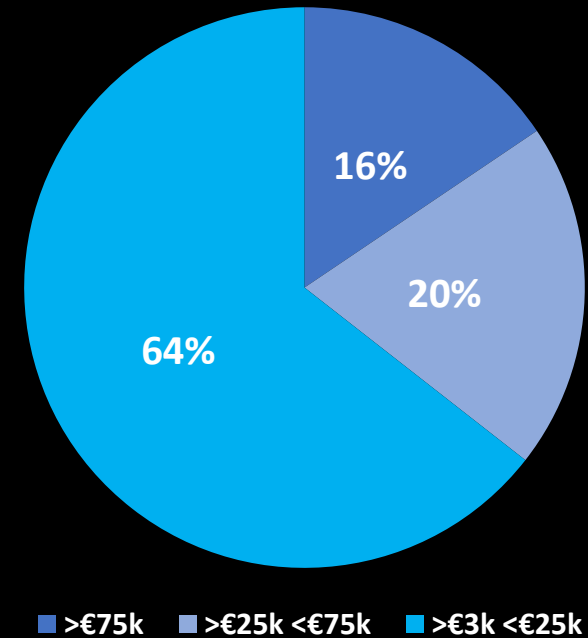
+94% Compound Semi Annual Growth in License Numbers

16% of Contracts Won >€75k and Growing (6% FY21)

Total Licenses¹



Average Contract Size²



¹ As at 31 December 2022. 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.

FY 2022 – Key metrics

Targets

Performance

**Growth of ENGAGE revenue
in excess of 100%**

- Total FY22 Revenue of **€3.9m** up **62%** from €2.4m in FY21 and ENGAGE FY22 Revenue totals **€3.3m** up **86%** from €1.8m in FY21
- **Record** Total Revenue won in December 2022 of **€0.6m**
- **Q1 2023** revenue in excess of **€1.0m**, up 40% on same period in 2022

**Gross Margin
in excess of 80%**

- Increased to 82% in FY22 from 79% in FY21

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

- Approx. 70 new Enterprise and Education Customers added to the ENGAGE platform in FY2022, bringing the total number of Enterprise and Education Customers to approx. 190 at year end
- Total licensed Enterprise and Education Customers at 31 Dec 2022 in excess of 10,000, an increase of 64% during the year

**Customer Revenue
Retention Rate of 80%+**

- Revenue retention rate for FY22 was **121%** with renewing customers increasing their committed spend

**Average Contract Value of
€20,000+**

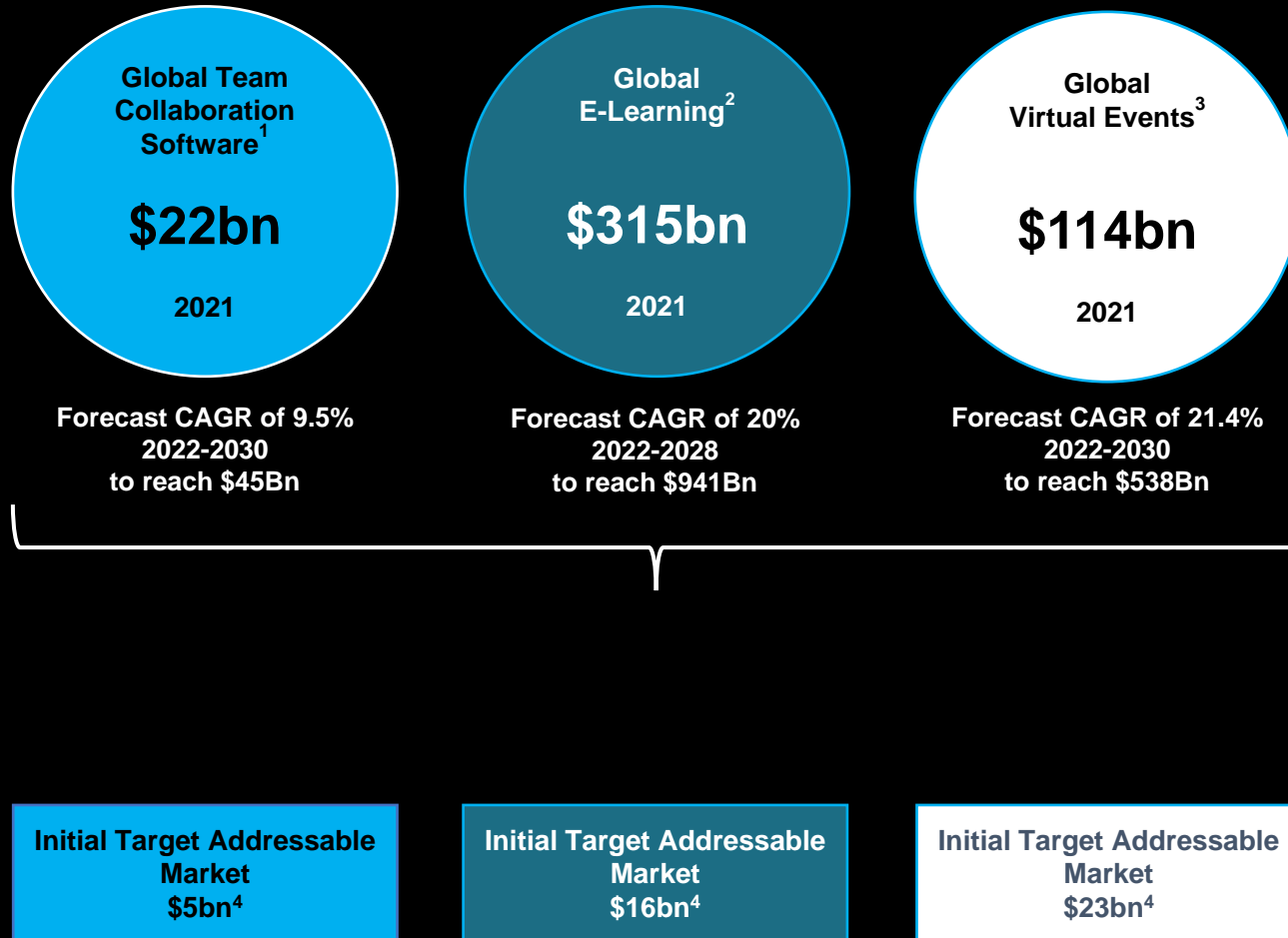
- Average contract value ('ACV') for license deals excluding trial customers and custom development work FY22 is **€21k** (FY21 €17k).

Operating costs & cash

- Cash position as at 31 December 2022 of €2.2m
- Significantly oversubscribed fundraising in Q1 2023 raising €10.5m before expenses bolstering cash position.
- Expected cash burn in H1 2023 of approx. €0.4m per month following significant payroll savings

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 ,expected in early H2 2023.

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 H2FY23



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**
- **Remote Training & Development**
- **Virtual Product Launches**
- **Team Building & Collaboration**
- **Remote Education**
- **Immersive Content Development**
- **Digital Twins & Virtual MetaWorld Hosting**

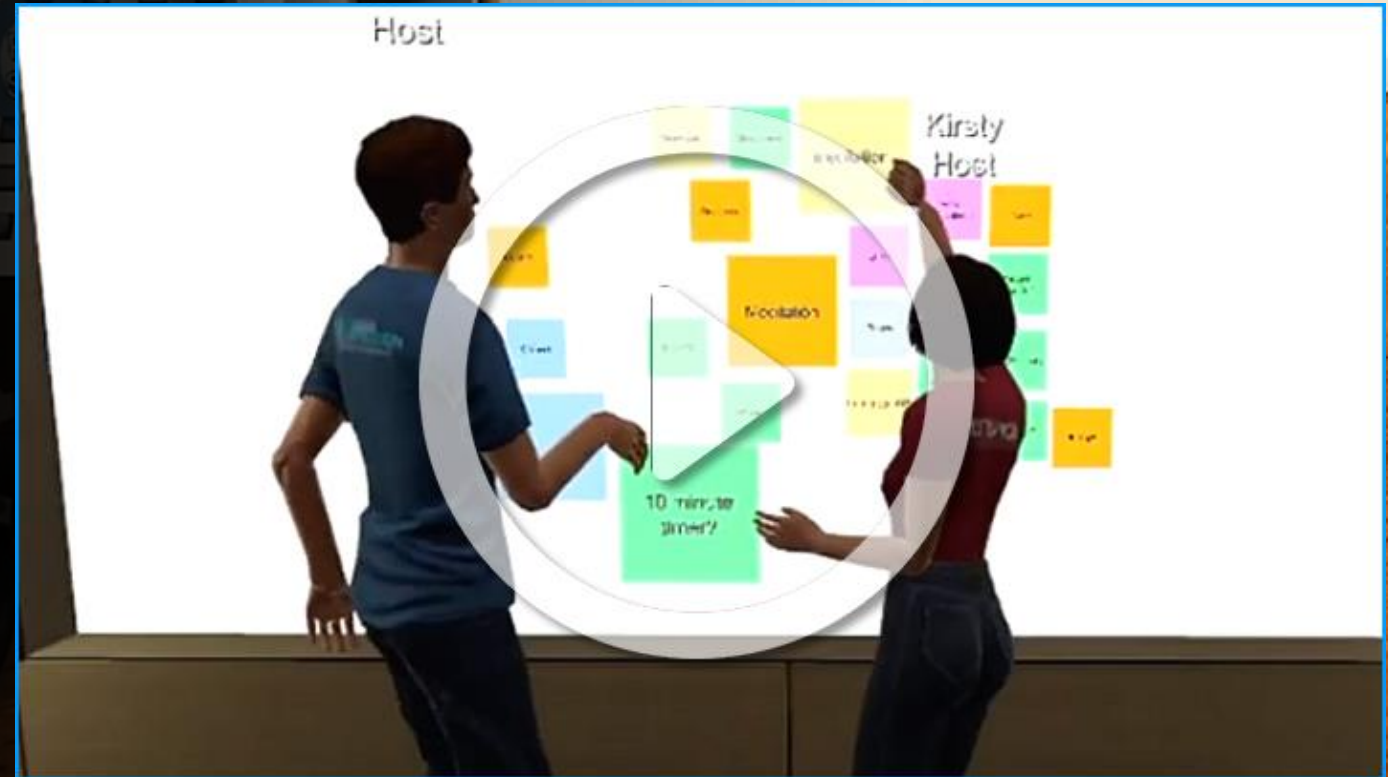


Use Case **One** **Collaboration** **Training & Development**

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.

Used in both enterprise and educational settings, ENGAGE is a leader in designing virtual collaboration tools that can be used on a wide range of different devices not just VR. ENGAGE supports phones, tablets, desktop PC's and Macs.



Video – 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.



Video – ENGAGE LINK

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

Current Trading & Outlook

- Q1 Revenue up approximately **40%** compared to the equivalent period last year, in line with management expectations.
- Significantly oversubscribed fund raise raising **€10.5m** (€9.9m after expenses) with continued institutional and retail support across existing and new investors. As at 30 April 2023, cash on **balance sheet** was **€10.3m**.
- Action taken to re-align cost base – reduced by **25%**.
- Continued growth in customers for ENGAGE Link. New clients won in the period, include an international food processing company, a multi-national energy company, and a global education organisation.
- Continued growth in total customers, which currently exceeds **200** – new clients include two of the world’s leading banks.
- Hosting of ENGAGE XR's first Virtual Reality (VR) concert titled "Eat Sleep VR Repeat" starring Norman Cook, AKA **Fatboy Slim**. The Group is currently exploring further revenue opportunities in relation to this.
- Pipeline continues to grow and the Lenovo partnership opens up exciting opportunities. Board confident in outlook



Group: ENGAGE XR Holdings Plc

Listing: London AIM: EXR

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ENGAGE

Appendices

Appendix 1 – Management Team



David Whelan
Founder, CEO

[LinkedIn](#)



Sandra Whelan
Founder, COO

[LinkedIn](#)



Séamus Larrissey
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

Year ended 31 December	2022 (€)	2021 (€)	% Change
Revenue	3,868,574	2,386,313	+62%
<i>Cost of Sales</i>	<i>(709,018)</i>	<i>(492,396)</i>	+44%
Gross Profit	3,159,556	1,893,917	+67%
Gross Profit %	82%	79%	+3%
<i>Administrative Expenses</i>	<i>(9,133,860)</i>	<i>(5,007,421)</i>	+82%
Operating Loss	(5,974,304)	(3,113,504)	+92%
EBITDA	(5,773,933)	(2,769,247)	+109%
Total comprehensive loss for the year	(6,004,885)	(3,130,271)	+92%

- FY22 revenue of €3.9m up approx. 62% on prior year
- Increase in gross profit margin from 79% in FY21 to 82% in FY22 primarily due to greater ENGAGE contribution
- Increase in administrative expenses primarily driven by increase staff numbers during 2022 as the Group grew to deliver ENGAGE Link platform.
- Increase in EBITDA loss driven by rise in administrative expenses offset by increase in gross profit

Appendix 3 - Financial Summary – Balance Sheet

Year ended 31 December	2022 (€)	2021 (€)	% Change
<i>Non-Current Assets</i>			
Fixed & Intangible Assets	135,577	528,529	-74%
<i>Current Assets</i>			
Trade & Other Receivables	1,365,982	645,890	+111%
Cash and cash equivalents	2,209,169	7,790,060	-72%
<i>Total Current Assets</i>	<u>3,575,151</u>	<u>8,435,950</u>	-58%
Total Assets	<u>3,710,728</u>	<u>8,964,479</u>	-59%
<i>Equity & Reserves</i>	2,480,358	8,462,510	-71%
<i>Liabilities</i>			
Trade and Other Payables	1,222,488	481,576	+154%
Operating Lease Liability	7,882	20,393	-61%
<i>Total Liabilities</i>	<u>1,230,370</u>	<u>501,969</u>	<u>+145%</u>
Total Equity & Liabilities	<u>3,710,728</u>	<u>8,964,479</u>	-59%

- Trade and other receivables were €1,366k, ahead of trade and other payables at €1,222k
- Trade receivables represented an average of 52 debtor days (2021: 58 days). No history of bad debts within the group
- Cash position on 31 December 2022 was €2.2 million with no debt.
- Cash balance was significantly strengthened during Q1 2023 by an oversubscribed fundraise of €10.5m before expenses

Appendix 4 - ENGAGE XR Holdings Plc Shareholder Information



Share Information

Shares in issue: 524,826,146

Options & Warrants: 4,404,127

Fully Diluted: 529,230,273

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