



# Virtualware Annual Report 2023.

# TABLE OF CONTENTS

## 01.

### Introduction

01_ Letter from the CEO	P. 5
02_ Letter from the CTO	P.7
03_ Vision and mission of the company	P.10

## 02.

### Company Highlights

04_ Company Highlights	P. 13
05_ Contracts signed and new partners 2023	P.14
06_ Outstanding developments during the year	P.18
07_ VIROO innovations and technological developments	P.20
08_ Awards, recognitions and events	P.21

## 03.

### Strategies and Future Plans

09\_ Strategic Plan 2024–2026 **P. 25**

10\_ Growth plan **P.27**

11\_ Key objectives and stakes 2024 **P.28**

## 05.

### Individuals

14\_ Organizational model **P. 35**

15\_ Results in People 2023 **P.37**

## 04.

### Financial Performance

12\_ Financial summary 2023 **P. 30**

13\_ Revenue analysis **P.31**

## 06.

### Sustainability and Corporate Social Responsibility

16\_ Sustainability report summary **P. 41**

## 07.

### Research and Development

17\_ Research and Development **P. 43**

18\_ Regional R&D projects **P.44**

19\_ European projects **P.45**

20\_ Projects in defense **P.46**

# INTRO- DUCTION.

Letter from the CEO

Letter from the CTO

Vision and mission of the company

# 10

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# 01\_

## Letter from the CEO

### Virtualware in 2023: Two Decades of Virtual Reality Innovation.



One of my personal heroes, the science fiction writer Isaac Asimov, used to say that the important thing was not to predict the future, but to concentrate on building it.

And he was very clear that if we had a choice of future, it should be **“a good future, a useful future”**.

Virtual reality still has a symbolic component of futuristic or science fiction. Every few months we see this or that big brand or developer launch a new device, a new project that they call virtual reality, or spatial computing, or whatever.

All these developments, all of them positive and all of them plausible, show us that there is already an economy built around virtual reality. And that is exactly what we at Virtualware wanted to do in 2023 - and continue to build. One bright future, one useful future.

Virtualware has become one of the most innovative companies in Virtual Reality, not only in Europe, but also internationally. Mainly because after two decades of thinking about how to move the industry and the company forward, in the last three years we've launched VIROO - a system for easily creating and deploying cross-platform virtual reality applications - which is on its way to becoming the standard for Virtual Reality as a Service.

VIROO already represents more than 90% of the company's revenue and will be the cornerstone of our future growth.

In 2023, Virtualware was able to consolidate its position on the market with a turnover of more than four million euros and projects on three continents. These are the best results in our history. Above all, they confirm our model. And in 2023, we are strengthening our relationships with our technology partners, including Unity, Amazon, Microsoft, HTC Vive and PICO, whose technology we rely on to develop and deploy our platform. We are also strengthening our team with a new International Advisory Board.

But there are two reasons why 2023 is a particularly important year for the company.

The first is: We are 20 years old.

We've been in virtual reality for two decades. That's like saying we were among the pioneers who invented the typewriter.

Twenty years ago, Sergio Barrera, Alvaro Barrios and I took an important step. We founded Virtualware. We had no idea of the direction our company would take in the field of virtual reality. At the time of our founding in 2003, this technology was just beginning to be explored.

## The new strategic plan for 2024–2026. “The future is brighter than ever”.

At that time, virtual reality was still in its infancy and access to technology like VR headsets was extremely complex and expensive.

Over these two decades, Virtualware has been a leader in the global virtual reality sector, particularly in industrial applications. Our technology is used in a wide range of industries, including nuclear power, transportation, automotive, healthcare and education, through our VIROO platform, which facilitates the development and deployment of VR applications.

Second, **in April 2023, we went public on Euronext Paris, the Paris stock exchange.** We did this officially in Paris, but also remotely, virtually for all our teams. And we did it with a valuation of 27 million euros, which increased significantly during the year.

This year, the company’s nearly 50 employees and many others became shareholders in the company.

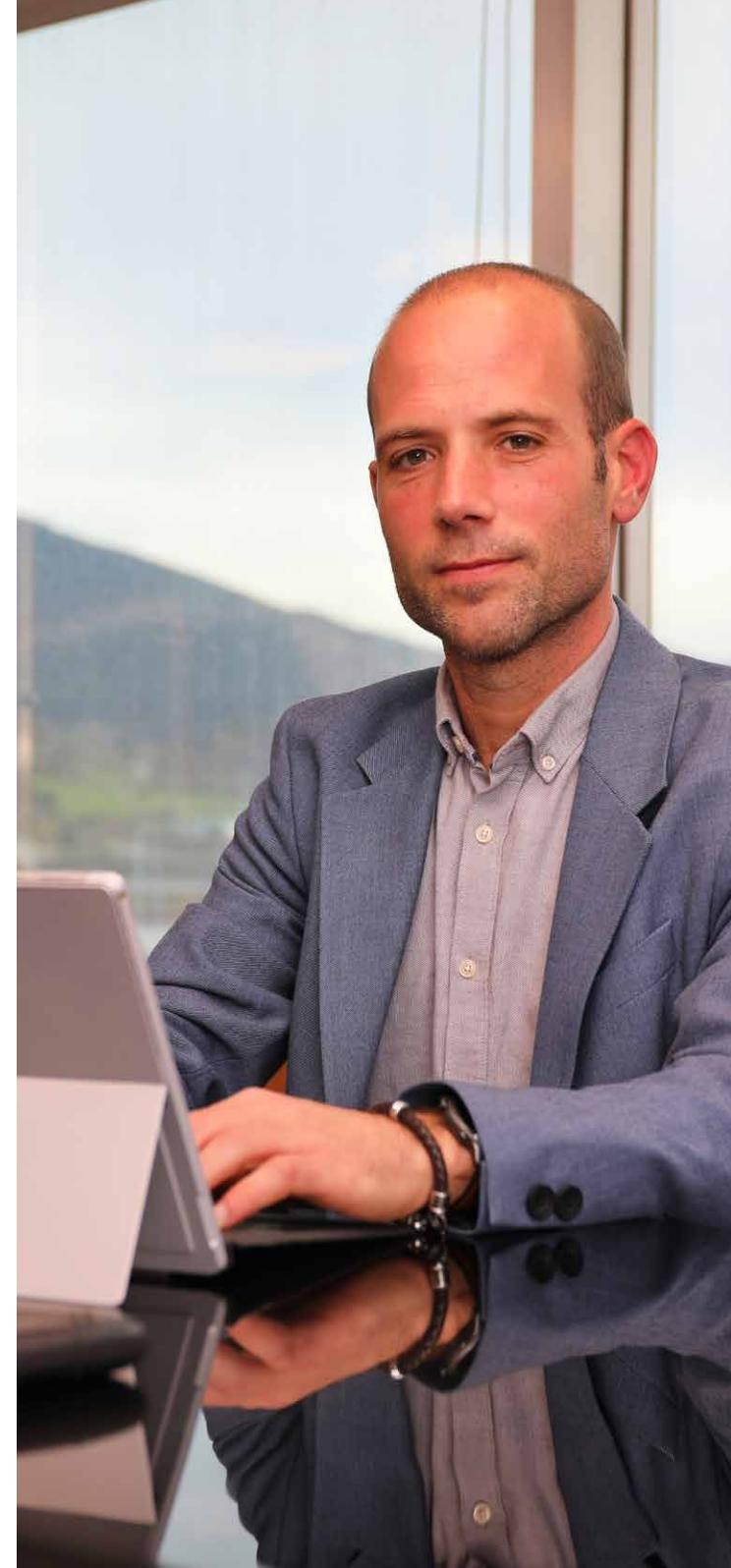
The year 2024 and the years that follow will therefore be marked by a new strategic plan for 2024–2026. A plan we have named: “The future is brighter than ever”. Because we believe the next few years will be bright for Virtualware.

Because, after our last strategic plan, we are in an unbeatable position to take advantage of the opportunities that are opening up around Virtual Reality and its applications.

We are a VR company and **we are committed to becoming the European reference in industrial immersive technology applications.**

It has been a great year 2023. Our shareholders should be proud of what we have achieved together. Let these words serve as a commitment that we will continue to work to keep it that way in the future.

**Unai Extremo**  
CEO of Virtualware



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# 02\_

## Letter from the CTO

**VIROO and why we rely on VR  
as a Service**



VIROO, our pioneering VR as a Service platform was designed to simplify and accelerate the adoption of Virtual Reality among businesses and institutions of all sizes and industries. Our team never stops pushing the boundaries, embracing emerging technologies and staying agile to offer our clients an unparalleled experience.

The approach taken by our technical team, both in the design of the software architecture and in the selection of the technology stack implemented, has been focused on achieving a platform that enables the creation of industrial-grade, immersive, multi-user experiences.

We respect the consumer virtual reality industry and understand that it is also an important catalyst for technological evolution, but we focus and will continue to focus our efforts on the industrial and business sectors.

So far, the industry seems to be rewarding this mission, given the progress we have made in the caliber of our projects, the size of our client base, and the growing number of partners who have joined our community internationally.

**“VIROO is continually evolving to be at the forefront of the most advanced tracking technology.”**

Our platform is perceived by end users through our VIROO Players, specific applications specialized in the optimization of each environment, with a common heart that unifies the user experience: VIROO Room Player allows the Free Roam monitoring of multiple users sharing space, VIROO Single Player enables remote connection from any location, and VIROO CAVE Player allows the configuration and operation of advanced projection systems, all of them interconnectable and orchestrated in collaborative sessions through our VIROO Cloud services.

VIROO has been developed to take advantage of the possibility of wirelessly transmitting XR content, generated on powerful graphics stations and rendered on displays, using the most advanced wireless transmission systems with global availability, based on Wifi 6E. We have eliminated the need for dongles, making the user experience much more comfortable and scalable. We have also made all the hardware power of manufacturers such as NVidia or AMD available to our users.

VIROO is continually evolving to be at the forefront of the most advanced tracking technology.

Our mission is to create the world's most advanced immersive content creation platform for professional use.

We have adapted the system to use HTC's enterprise services, including Vive Business+, which includes features such as drift elimination/prevention via ARUCO markers, cloud-based viewer management, and coordination of configuration deployment across fleets of devices.

Our cloud service infrastructure, VIROO Cloud, is supported on a highly modular container architecture hosted on AWS, which allows leveraging service scaling capabilities, load balancing, latency optimization based on geography and implements security best practices, etc.

The system is designed to support a much higher user load than at present. We want to guarantee an optimal quality of service for our clients.

**In 2024, our focus will be on improving the VIROO Studio user experience within Unity and adding new features to further facilitate the adoption of the VIROO platform for multi-user XR content creation.**

**Among them we can highlight:**

- The capacity to publish cross-platform applications, which will multiply VIROO's potential user target through new forms of deployment: Android-based all-in-one systems such as PICO or Meta Quest, and Apple Vision Pro based on VisionOS.
- The integration of a “visual scripting” system, which will allow users without programming knowledge in a scripting language to deploy their creativity in the elaboration of VIROO scenes with much more logical depth.

We expect to release new versions of the technology in the coming months and continue to travel to new industrial centers to teach and drive adoption.

For us, virtual reality is not just a job, it is a passion. We have been developing the technology for 20 years, and not many companies in the industry can say the same.

If in 2023 we were able to present VIROO CAVE Player, and its first deployments in different countries, as a way to apply VIROO to enhance the use of existing 3D multi-projection systems, involving manufacturers like BARCO and collaborating with industry referents like ART Advanced Realtime Tracking. In 2024, we want to be able to advance in immersive reality, using new devices, new transmission capabilities such as Wifi7, which will include the new generation of devices, spatial computing or the gradual introduction of artificial intelligence into our technology whenever it makes sense, and always with the objective of perfecting the user experience.

VIROO is the result of the talent of our great team, but also of years of experience and feedback from our customers. Together, we are truly building a solid, useful approach to Virtual Reality. One that is already allowing companies to grow, consolidate, and advance in their adoption of this technology.

Thank you all for everything.

**Sergio Barrera Mayo**  
Chief Technology Officer of Virtualware



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# 03\_

## Vision and mission of the company

### Purpose

To strengthen virtual reality technology and expand its use to help organizations and institutions become more sustainable and contribute to a better world.

Virtualware exists and must exist to help develop and advance Virtual Reality technology and expand its use as a tool that can help companies and institutions achieve excellent sustainability results and contribute to creating a better world.

Ever since we were born, we have been firm believers in the potential of virtual reality technology. It is an emerging technology that is proving its enormous potential in a wide range of fields, processes and applications.

### Mision

Founded in 2004, Virtualware is a global expert in virtual reality and immersive technologies. Companies of different sizes and industries are using Virtualware's platform, VIROO, to transform their training, coaching, engineering or sales processes, allowing them to become more competitive and sustainable.

By facilitating the adoption of virtual reality and immersive technologies through the development of our VIROO technology platform, we increase industry competitiveness and sustainability, contributing to a more sustainable, equitable and just world.

### Vision

To be the manufacturer of the world's most prestigious, advanced and important platform on which companies in any industry develop, deploy and run their immersive content to improve their processes.



# Values



## Innovation

We understand innovation as an essential quality for the development of society and our organization. Caring for innovation implies developing an organizational model based on creativity, tolerance to failure and continuous questioning of what has been adopted.

Continuous innovation implies embracing change and assuming it as something natural and necessary to keep moving forward.

Innovation is a key aspect of being the world's most advanced platform manufacturer (vision).

## Sustainability

We believe in sustainable development as the way forward for a better society.

Equality, diversity, improving education, working conditions, reducing inequalities, or reducing environmental impact are some of the commitments we have acquired and to which we are committed as an organization to progress as a society.

Immersive technologies can help companies to be more sustainable and we are aware of this and we reinforce the visibility of those use cases of our technology platform where the impact is important and can be an example to improve the world.

## Trust

Trust is the foundation on which any relationship is built. Generating trust implies coherence, discipline, transparency, respect, kindness, truth. We understand trust as an essential element in our values and we are committed to take care of all the necessary aspects to generate and maintain this trust with the people who are part of the organization, as well as with our stakeholders.

Becoming the most prestigious platform manufacturer is directly related to the platform's ability to generate confidence in our clientele, for which we adopt the highest standards of development quality, service quality and cybersecurity.

# COMPANY HIGHLIGHTS

P. 12

# 2023

Listed on Euronext Paris

Contracts signed and new partners 2023

Outstanding developments during the year

VIROO innovations and technological developments

Awards, recognitions and events

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# 04\_

## Listed on Euronext Paris

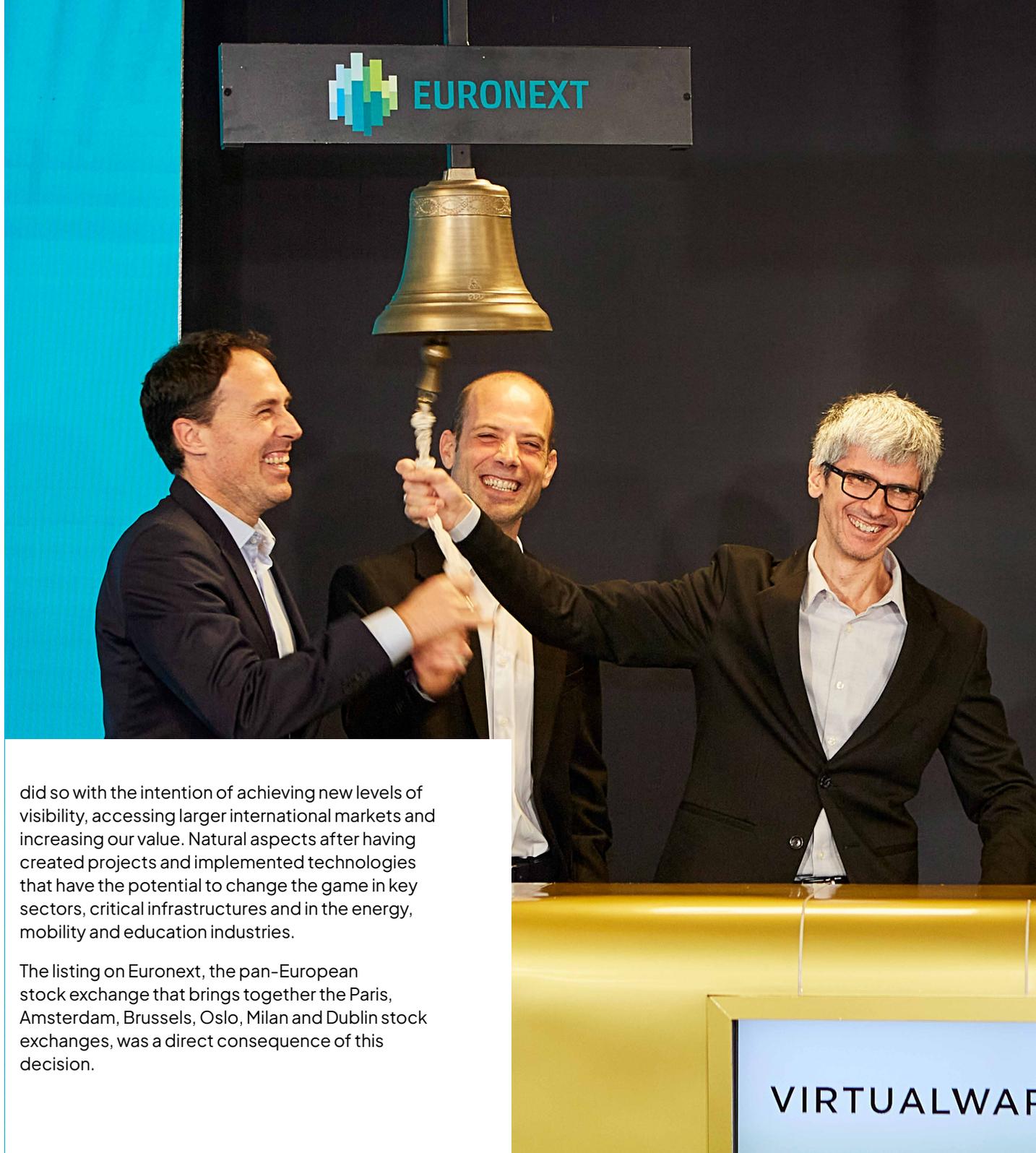
**On April 20, 2023, Virtualware was listed on Euronext Paris.**

It was listed on the Euronext Access segment under the ticker symbol MLVIR. The IPO was in direct listing format and at a total market valuation of €27 million.

The listing ceremony was held at Euronext's headquarters in La Defense, and was presided over by the company's two founders, CEO Unai Extremo and CTO Sergio Barrera, as well as its COO, Asier Extremo. Ramón Pedrosa López, advisor to the Board of Directors, who led the transaction, also participated.

At the time of the exit, the company put a total of 4,542,000 shares into circulation, which began trading at an exit price of 6.00 euros. The maximum the shares reached was in August, when they reached €8.55 per share, while at the end of the year they were trading at €7.2 per share.

The decision to go public was the culmination of a year and a half of meticulous preparation, and we



did so with the intention of achieving new levels of visibility, accessing larger international markets and increasing our value. Natural aspects after having created projects and implemented technologies that have the potential to change the game in key sectors, critical infrastructures and in the energy, mobility and education industries.

The listing on Euronext, the pan-European stock exchange that brings together the Paris, Amsterdam, Brussels, Oslo, Milan and Dublin stock exchanges, was a direct consequence of this decision.

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# 05\_

## Contracts signed and new partners 2023

2023 was a significant year in terms of the value of contracts signed. The company ended the year with an order backlog of nearly 6 million Euros, the highest in Virtualware's history.

Regarding the origin of orders or contracts, 43% come from North America, mainly the United States. Just over 42% come from South and Central America, and the rest from Europe, with Spain being the European country with the most orders.

43,11%  
NA

32,5%  
EMEA

24,39%  
LATAM

The company started working on creating an indirect marketing channel in 2023. That is, attracting and activating third parties to market VIROO.

By 2023, 20% of the order backlog will come from this indirect channel Virtualware has started.

In 2023, more than 20% of the value of the signed contracts come from the indirect channel.

77,37%  
DIRECT

22,63%  
PARTNER



# Partners 2023



The attraction and activation of third party companies is a key element of the company's future and has been in 2023 an activity where the company has allocated part of its efforts.

Virtualware has a partner program in which it has identified three types of partners with whom it is already working:

1. Value Added Reseller
2. Reseller
3. Service Partner

Six agreements were signed to become part of the Partner Program during 2023. These are the companies in question:

1. TDCLA (CHILE)
2. Isostopy (SPAIN)
3. VRticles (INDIA)
4. Advansoft (MALAYSIA)
5. VRLogic (VRCAVES)(ALEMANIA)
6. McMaster University (CANADA)



“As VR adoption continues to grow in India, organisations need to approach it like any other transformation initiative with a roadmap. Instead of investing in point solutions that are short-lived. VIROO as a platform helps in this journey as we are constantly enhancing our capabilities”,

Radhakrishnan G Nair (RGN),  
Founder & CEO of VRticles.



“We believe VR can transform the oil and gas industry. With VIROO, companies can improve safety procedures, enhance emergency response and streamline operations in a remote, multi-user and collaborative manner,”

Fong YH, CEO of Advansoft.

# 06\_ Outstanding developments during the year



## GE Vernova

Virtualware has developed a new BWR-X-300 Reactor Vessel Assembly and Stress Reliever Simulator for GE Vernova's BWR-X-300 reactor in collaboration with GE Vernova. Based on the VIROO® platform and deployed in immersive VR rooms, this is a pioneering solution for the nuclear industry. This new simulator is part of the range that GE Vernova is expanding within its simulator portfolio. Initially, the SFM (Simulator Fuel Movement) was launched.



## ADIF

Virtualware has developed a Railway Infrastructure Simulator (SIF) for the Public Agency of the Ministry of Transport, Mobility and Urban Agenda, which manages the national railway network in Spain. The simulator is designed to train maintenance operations.

The simulator allows students to perform cooperative exercises distributed in various ADIF locations and classrooms. The 120-square-meter VIROO® room, located in the Technological Training Center in Valencia, is a key element for conducting full-scale multi-user training sessions.



## Invest WindsorEssex (IWE)

Virtualware has partnered with IWE, the leading economic development agency in the Windsor-Essex region, to expand the capabilities of the VR CAVE system and further enhance innovation in Canada's automotive ecosystem. By integrating this system with the VIROO® platform, SMEs will be able to develop their digital twin models and iterate in real time on a variety of 2D and 3D devices, expanding access and enabling new use cases for Canada's largest publicly accessible VR CAVE.

This collaboration has eliminated the barriers that previously existed to accessing support services and has also eliminated the need to travel to work to use this specialized software.



## University of El Salvador

Through a multi-year contract to implement the VIROO® VR platform at the University of El Salvador, Virtualware has completed up to 6 immersive room installations in the Multidisciplinary Faculty of Occidente, Multidisciplinary Faculty of Oriente and the Faculty of Engineering Sciences. These will be added to the VR room in the Faculty of Medicine, Dentistry and Chemistry and Pharmacy, making a total of 7 VIROO® Room based VR labs.

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# 07\_

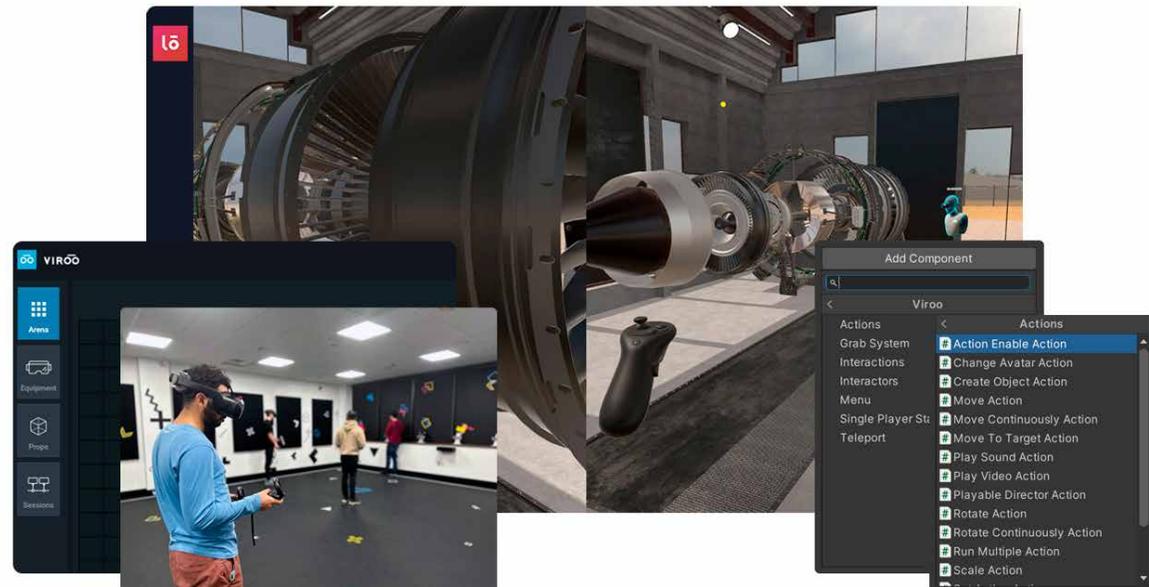
## VIROO innovations and technological developments

Throughout 2023, Virtualware's technology team focused on improving VIROO as a product, with the announcement of a new 2.4 release mid-year.

. These enhancements put VIROO at the forefront of VR platform development and deployment platforms.

The VIROO version 2.4. includes the following new features:

- Mixed Reality Capabilities: Integration of VR and AR/MR technologies, cross-platform interoperability, operational with HTC Vive XR Elite and soon with PICO XR and Meta Quest 3.
- Integration with VR CAVEs: Compatibility with multiple projection systems, hardware, session and content management.
- Offline configuration of VIROO® Room: Possibility to display immersive multi-user content without internet connection.
- VIROO® Studio for Unity: Low-code VR authoring tools integrated into Unity for the development of multi-user VR environments.
- VIROO® content updates: New scenes created and updated available to users.
- Support for the latest enterprise VR headsets: Optimization for HTC Vive Focus 3, HTC Vive XR Elite, PICO 4 Enterprise and more.
- Identity management: Improved security through authentication and user data management.
- Data visualization and UI/UX improvements: Enriched content information and improvements derived from identity management and HandTracking



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# 08\_

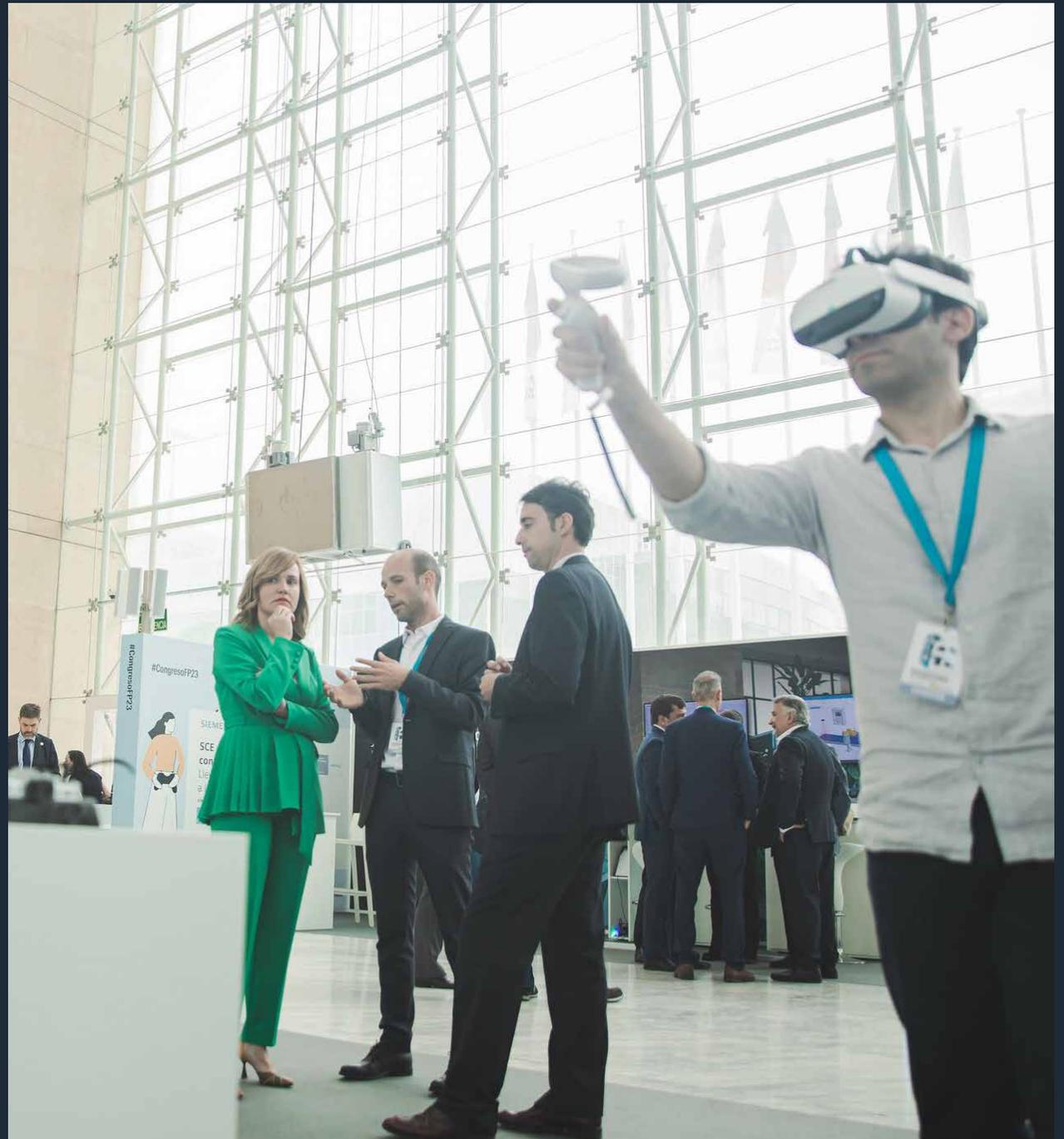
## Awards, recognitions and events

To showcase the company's capabilities, VIROO's reach and new developments, the company consolidated its international presence during 2023.



# Events

- 2/26/23: Virtualware shows VIROO together with Pico at Mobile World Congress.
- 4/24/23: Virtualware introduces VIROO at IT²EC.
- 4/24/23: Virtualware attends CIBITEC 2023.
- 5/11/23: Virtualware participates in the International Vocational Training Congress.
- 5/15/23: Virtualware exhibits at the FEINDEF International Defense and Security Exhibition.
- 5/29/23: Virtualware presents at the Second European Defense Innovation Day.
- 6/22/23: Virtualware participates with Invest in Hamilton in Collision.
- 10/18/23: Virtualware collaborates with Art at AWEU 2023 to showcase the latest developments in VR.
- 10/24/23: Virtualware joins Pico at the Augmented Enterprise Summit to deliver valuable VR experiences.
- 10/27/23: Virtualware displays VIROO at the 25th CBCENF.
- 11/1/23: Virtualware collaborates on “Imagining 2080” to showcase the potential of virtual reality in Canada’s future.
- 9/29/23: Virtualware’s VIROO capabilities are showcased in a NATO exercise.



# Recognitions

The company has also received further recognition as a winner of the World's Most Innovative VR Company award in 2022.

- **10/9/23:** Unai Extremo receives the Technology Leadership Award at the Human Hub SariaK Awards.
- **10/31/23: Vodafone–DEIA Awards:** Most Innovative SME for Virtualware.
- **12/14/23:** Virtualware's global leadership in VR with double gold win at the Brandon Hall Group Excellence Awards (I don't have the exact titles of the awards).
- **8/22/23:** Nominated for Outstanding VR Company of the Year 2023.



# 30

Strategic Plan 2024–2026

Growth plan

Key objectives and stakes 2024

**STRATEGIES  
AND FUTURE  
PLANS**

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# 09\_

## Strategic Plan 2024- 2026

**Built on 4 pillars, VMware enters a new growth phase**

# 1

To enhance the company's size with a **focus on the VIROO platform** and its growth in high-potential markets.

# 3

To **generate a positive impact on society** by promoting sustainability, as well as helping surrounding organizations to become more sustainable.

# 2

To provide customers with an **excellent product and quality services** that ensure maximum return on value and impact.

# 4

To be an attractive company so that **the best talent** finds in VMware the ideal place to develop their professional career.

We will continue to focus on VIROO as the core of our revenues, and in particular we will have significant growth in the area of annual subscription plans (recurring revenues).



**Annual Recurrent Revenue (ARR):  
VRaaS**



**VIROO-based Collateral Revenue:  
VIROO Services**

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# 10\_

## Growth plan

### **An organic growth plan based on VRaaS**

Our fully organic growth plan relies on strong growth in our VRaaS business, (subscription plans), with three key elements to achieve this:

#### **Growth in North America, especially in the U.S.**

One of the keys to growth according to the model presented will be to invest and take action to build a direct presence in the US.

In terms of potential customers, the US market has the characteristics we need. Moreover, we have reference customers through which we can start our penetration strategy.

#### **Building an indirect channel and services that will allow us to grow our subscription range rapidly**

A combination of direct sales and channel sales will be necessary over the next few years, but we are clearly aware that the creation of an indirect channel that will allow us to grow even more significantly is a priority.

In addition, we need to build a robust channel that will provide services to the end users of VIROO in order to grow at a rapid and significant rate.

#### **Providing the highest quality service to attract and retain our VIROO customers.**

We have a large number of customers and our aim is to continue to include new customers belonging to those sectors that are more demanding in terms of the criteria for excellence. Energy, defence or transport require the excellent services we provide and we must continue to do so, either directly or through our channels. That is why we will continue to work to the highest standards to ensure that VIROO continues to provide excellent services.

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# 11\_

## Key objectives and stakes 2024

In 2024, our objectives will be to continue to maintain similar growth ratios to the previous year, i.e. between 30–40% growth in revenues.

Regarding our revenue model, we expect to **grow significantly in our VIROO subscription plans**, reaching 100% revenue growth in this line.

On the other hand, we expect to maintain the VIROO Associated Services revenue line similar to that realized in 2023, which will require us to work closely with our service partners.

In terms of investments in 2024, **the USA and local implementation will be one of the biggest bets** we intend to make and which we hope will allow us to advance in our strategy and in one of our essential pillars, which is to increase our presence and market in North America.



# FINANCIAL PERFORMANCE

# Q4

Financial summary 2023

Revenue analysis

Audit Report (Finance Department)

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# 12\_

## Financial summary 2023

**In 2023, Virtualware posted all-time record sales, with revenues of €4.55 million, which represented a 41% increase over the previous year.**

This growth is mainly attributed to the increased adoption of its VR as a Service (VRaaS) subscription plans and the adoption of its core technology, VIROO, which generated revenues of €1.3 million, a significant increase of 118.26% compared to the previous year.

One of the main aspects contributing to this progress had to do with the company's strategy of focusing exclusively on VIROO as a source of revenue generation (subscriptions), supported by VIROO's linked collateral services (rooms, customized projects, customer service).

**In addition, the company reported the following relevant data:**

In 2023, Virtualware recorded a consolidation of its VRaaS model, which has grown in just three years to contribute 35% of the company's annual revenue. Services linked to VIROO, which include the installation of physical multi-user virtual reality rooms and the creation of immersive content, contributed €2.15 million, accounting for 54% of this segment.

The company's 2023 gross profit margin increased to 74%, up from 70% in 2022, indicating continued improvement in operating efficiency. If we consider only the Virtualware business excluding Evolv Rehabilitation Services, s.l., this gross profit increases significantly to over 80%.

In the period, EBITDA was 423,480 euros, showing a growth of 29% compared to the previous year. After excluding the extraordinary expenses related to the IPO, adjusted EBITDA for the year was €211,484. This represents a substantial recovery from the negative €293,000 in 2022.

The company's salary expenses, including extraordinary employee share awards related to the IPO itself, amounted to €3.06 million, reflecting a year-on-year growth of 25%. This increase in salary expenses is due to a 12% increase resulting from salary increases and the expansion of the workforce and a 13% increase attributable to employee stock compensation linked to the listing.

During the period, the company's debt was reduced by approximately €400,000, bringing net debt to €1.3 million. This represents a 23% reduction compared to 2022 levels.

In 2023, Virtualware signed contracts worth €5.6 million, of which 43% came from North America (USA and Canada), 33% from EMEA (mainly Spain) and 24% from Latin America, mainly El Salvador.

# 13\_ Revenue analysis

Revenues for 2023 amounted to €4.555.041, broken down as follows:

VIROO Subscriptions (VRaaS) corresponds to the subscription plans of the VIROO platform.

Columns (b), (c) and (d) correspond to VIROO Services, i.e. all those service developments associated with VIROO subscription plans:

**VIROO Assisted Services: Start-up, retrofitting and other services**

**VIROO Hardware: VIROO Rooms, VIROO hardware equipment for VIROO Rooms**

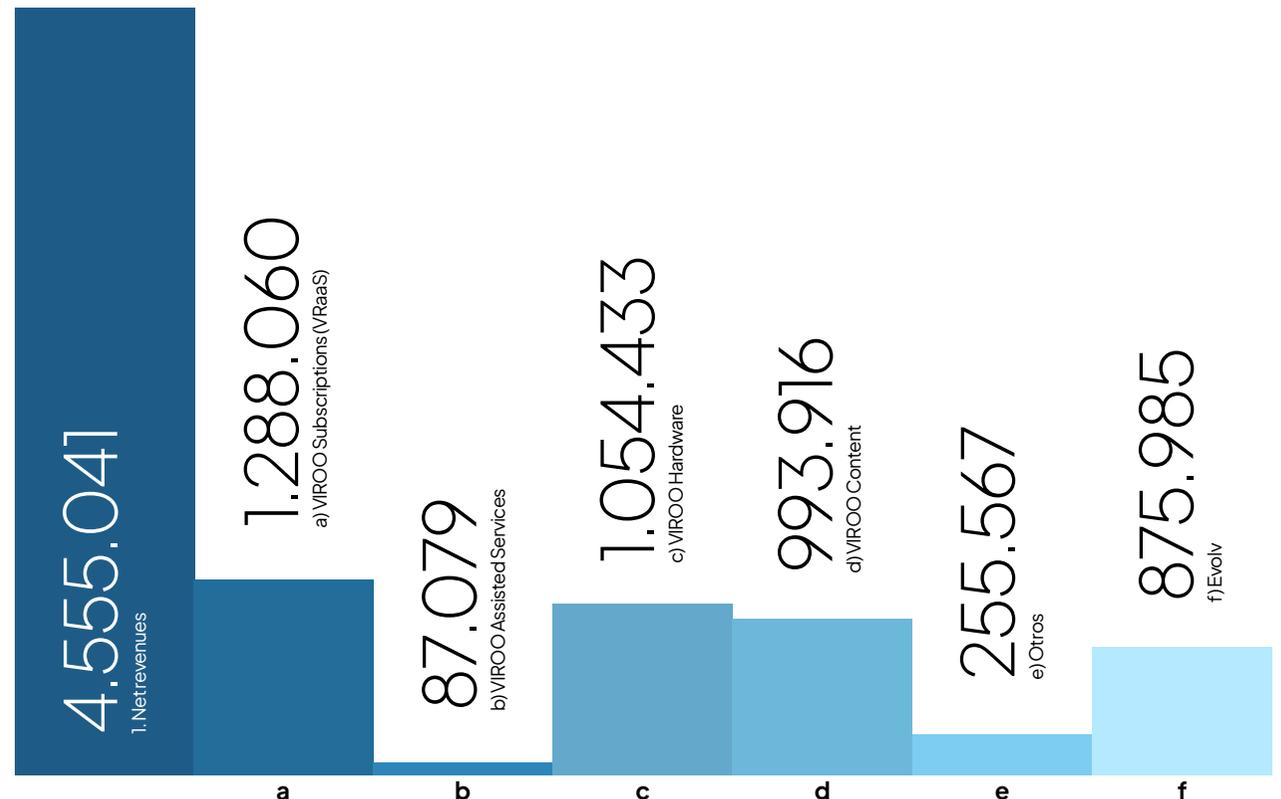
**VIROO Content: VIROO Content Developments**

Column (e) of others corresponds to projects developed unrelated to VIROO.

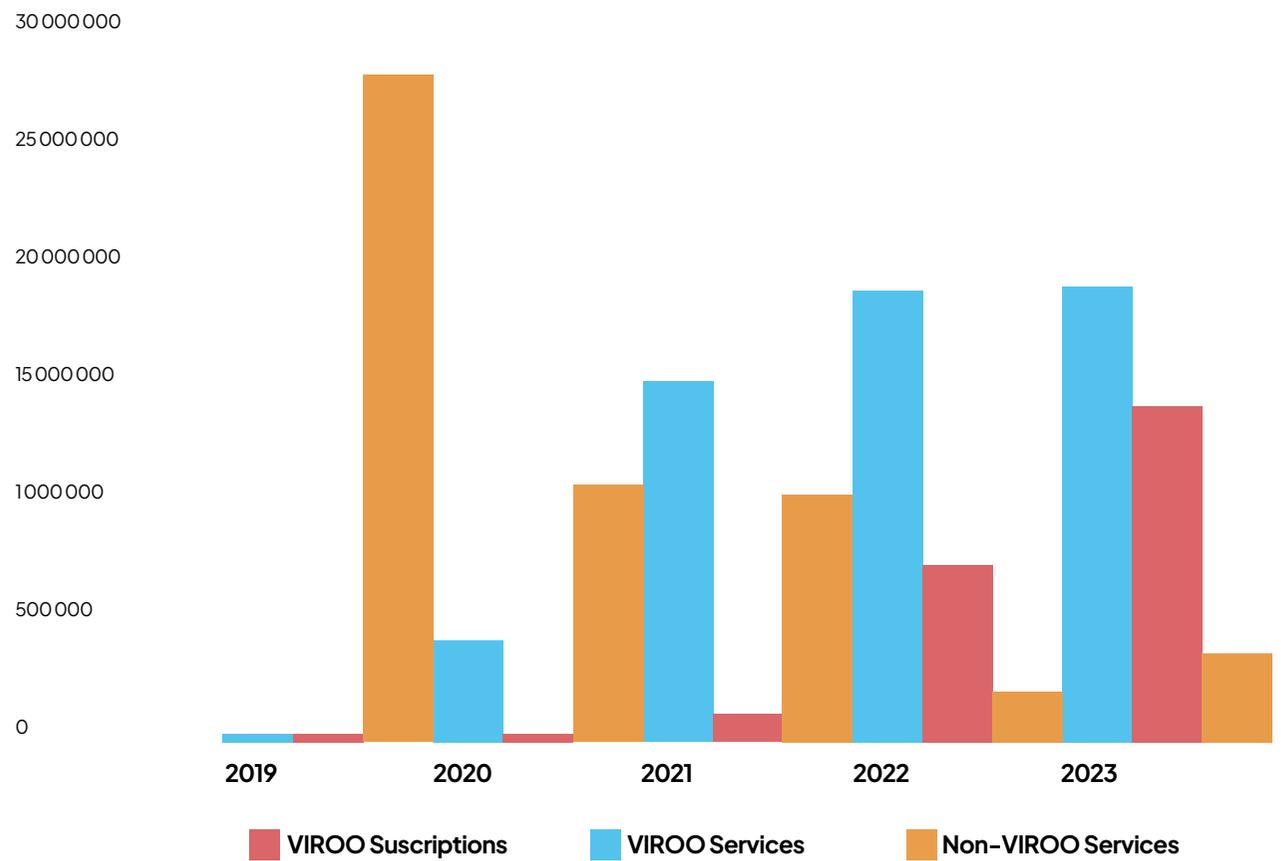
Finally, column (f) corresponds to the revenues of Evolv Rehabilitation Services, S.L., a company in which Virtualware has a majority shareholding.

## Income Statement 2023

a) Continuing Operation

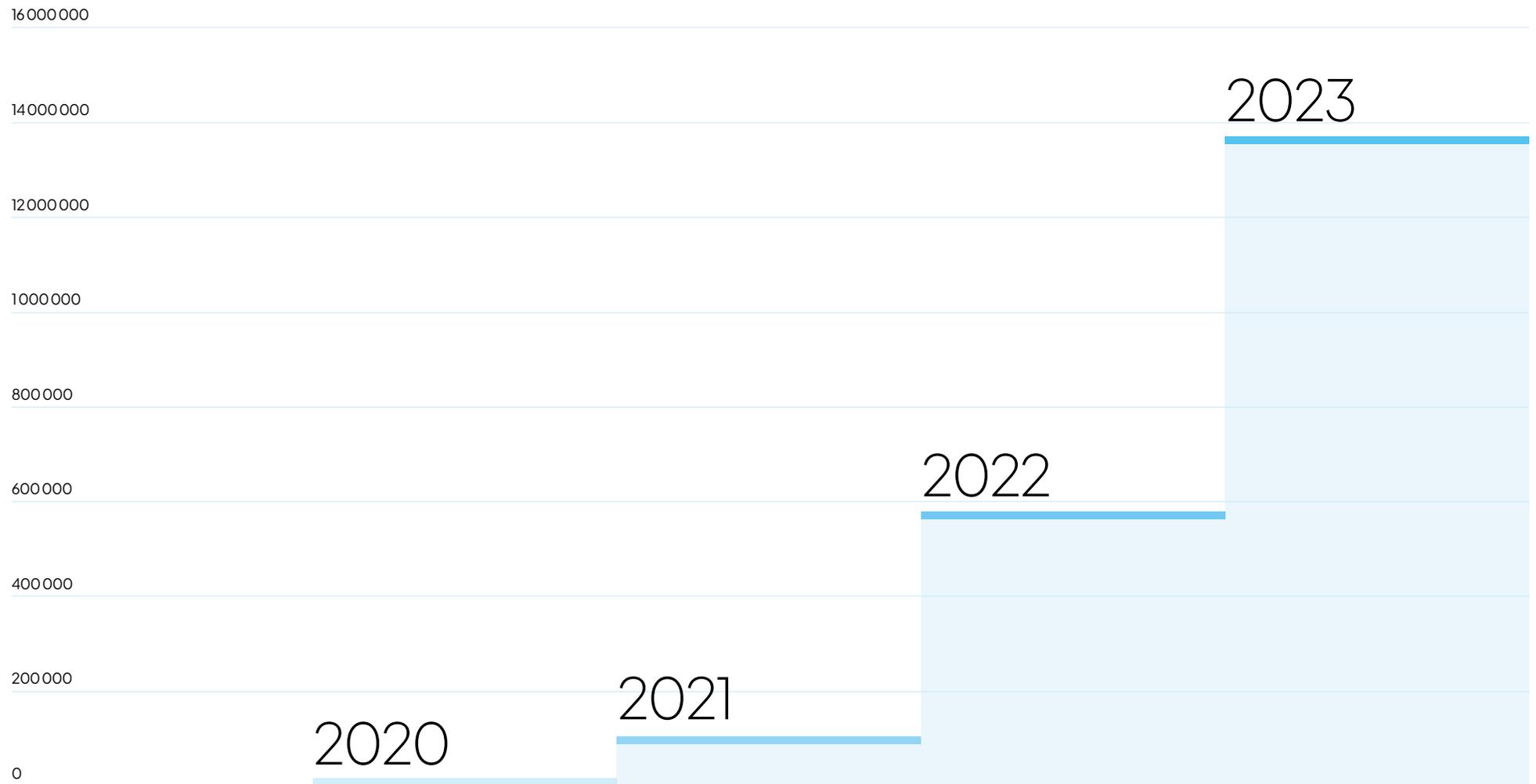


It is worth noting that during the last 3 years the company has managed to pivot from a revenue model based on the development of customized projects (Others) to a model based on VIROO (subscription plans and services):

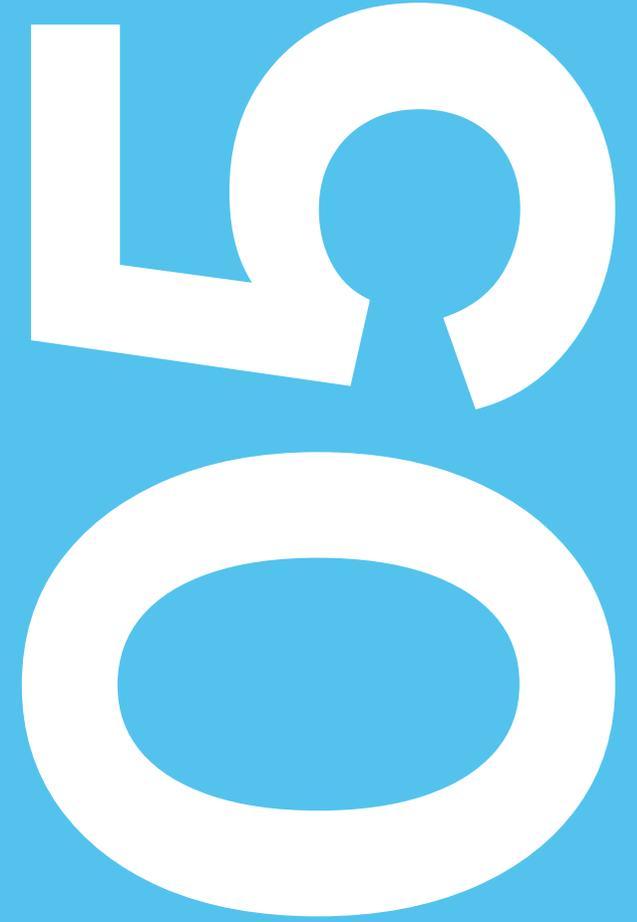


Finally, it should be noted that the revenues associated with subscription plans have increased significantly over the last few years.

This has been part and parcel of the company's future growth strategy:



# INDIVIDUALS



Organizational model

Results in People 2023

Team activities 2023

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# 14\_

## Organizational model

**Three key principles underpin Virtualware's organizational Persmodel:**

### Leadership

All people who belong to Virtualware act as leaders within the scope of what they do.

Virtualware sees the organisation as a group of people who are able to be and act as referents. They are aware of the leadership principles that the company has defined as the basis for the correct development of its business model, and they work to implement, respect and follow them in their daily lives. These principles apply to each and every one of us in the company.

They are tools that allow us to guide how we behave daily, how we work, how we communicate and how we make decisions.

They define how we will manage the relationships between us within Virtualware and with our various stakeholders.

Being a leader in Virtualware means: passion and ambition, coherence, commitment, transparency, being performance, results and customer oriented, with the ability to achieve high quality standards, without being afraid to make decisions, putting the common good before the individual and the long term before the short term, with the openness to question what already exists and to propose improvements, relating with kindness.

### Self-management

We are a self-managed organisation that replaces hierarchy, authority and control by superiors with working autonomy, trusting people and transparency to encourage innovation.

Autonomy is one of the main drivers of personal motivation. It is the need to feel responsible for one's own behaviour.

Creating autonomous teams with dynamic roles and transparent rules is one of the pillars of self-management.

## Creativity and discipline

Our aim is to have an excellent organisation that combines the power of creativity with the power of discipline, understood as the respect and observance of rules, the respect of what has been agreed and decided.

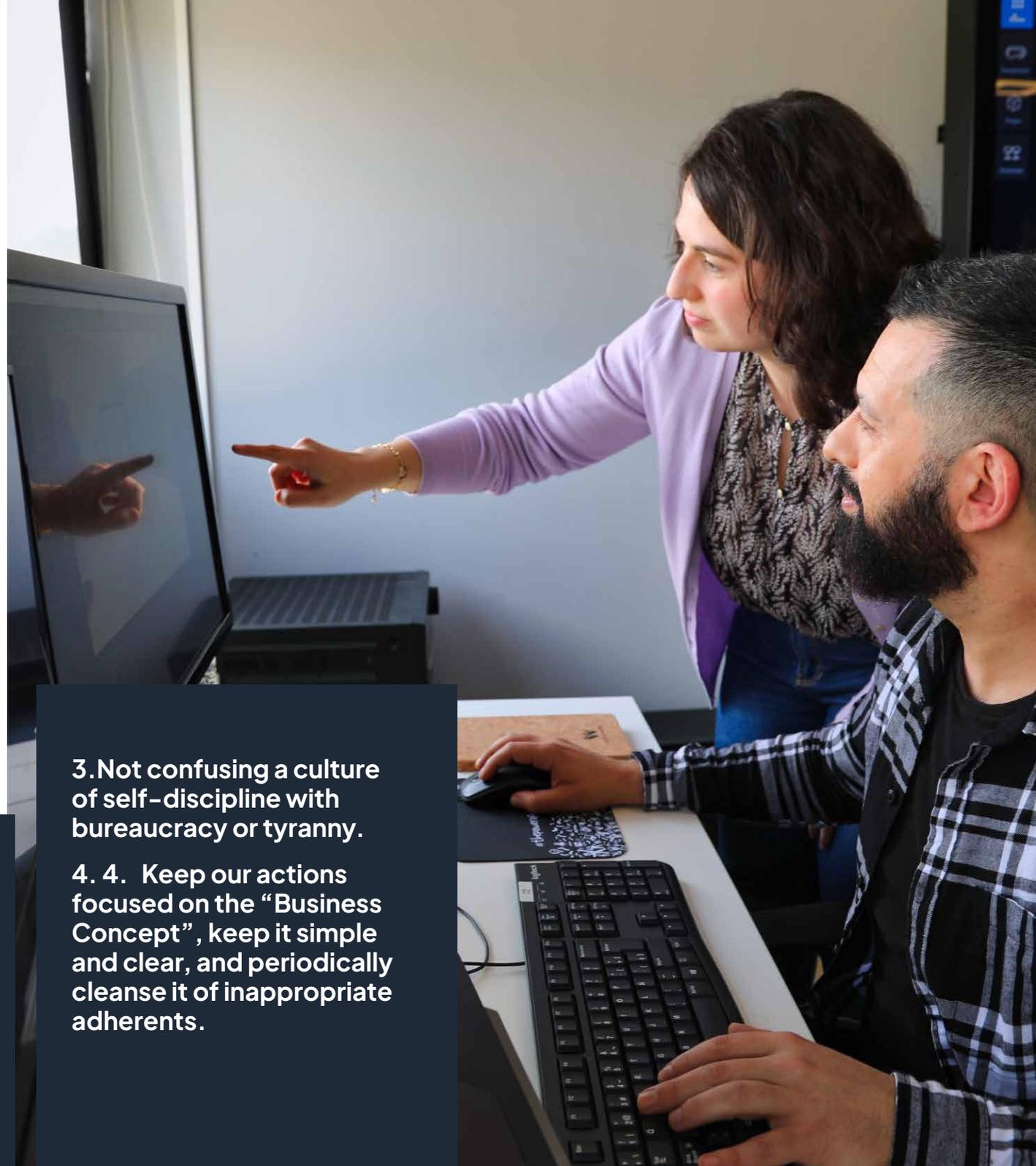
Everything that makes an organisation serious comes from its culture. It comes from the conviction of the people who make it up, because they themselves are serious. And no one spends the whole day setting up controls and debating about inappropriate behaviour.

**1. Create a culture of responsibility and freedom within a clear and simple framework.**

**2. Be self-disciplined.**

**3. Not confusing a culture of self-discipline with bureaucracy or tyranny.**

**4. 4. Keep our actions focused on the “Business Concept”, keep it simple and clear, and periodically cleanse it of inappropriate adherents.**



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# 15\_

## Results in People 2023

We are a team of people, including economists, artists, project management managers, etc., with a shared commitment to leading the immersive revolution in the business world.

Virtualware is committed to attracting and retaining the best talent, as well as inspiring new generations to pursue their professional futures in our field of activity.



At Virtualware, we have a number of measures in place: flexible working hours, teleworking, support for certifications, extra days of leave, 360-degree feedback within and between teams, individual and team action plans to improve skills, personalised semi-annual and annual appraisals, etc., which are designed to ensure the continuity of our employees, meet their concerns and needs, promote conciliation and participation, and create a climate of trust.

45

People

76%

Men

24%

Women

7.5

Years average length of service with the company

50%

Of employees have more than 10 years of experience in the sector

790

Hours of continuous training and knowledge transfer sessions

96%

On permanent contract

38

Average age of the employees

89%

With higher degrees



VIRÃO

# 06

## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

# 16\_ Sustainability report summary

At Virtualware, we aim to have an impact on sustainability through certain actions and initiatives that aim to contribute to the achievement of certain Sustainable Development Goals (SDGs)



## These are the main key initiatives implemented in 2023.

- Renewal of the 2023–2023 Equality Plan, which focuses on: managing from a gender perspective, empowering women, co-responsible mediation and good treatment of women..
- As part of this plan, and with the aim of attracting female talent, two women joined Virtualware in 2023. One of them is in a technical role (programmer).
- Management of confidential documents. We have efficiently recycled more than 240 litres of confidential waste. This was done by a company specialising in document management.
- Renewal of the company’s membership in the denBBora network, a public-private collaboration initiative that promotes a cultural change in organizations towards a healthier, more egalitarian and efficient use of time, facilitating work-life balance and co-responsibility in work, family, personal and social life.
- And in Bai SArea, a business network promoted by the Emakunde-Basque Women’s Institute. It is made up of organisations that want to promote real equality between women and men in the workplace.
- Googaz: We have collaborated in this initiative to bring the SDGs closer to Basque youth with virtual reality as an ally, promoted by BBK Kuna, the Provincial Council of Bizkaia, Stay. A project in which 566 youngsters participated, distributed in 6 municipalities and 9 educational centers, and in the final phase they developed a game based on our VIROO platform, which aimed to meet a challenge related to SDG 3: Health and Wellness.

# RESEARCH AND DEVELOPMENT

70

Regional R&D projects

European projects

Projects in defense

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# 17\_

## R&D

At Virtualware, innovation is the driving force behind our leadership in the industrial VR industry.. Through a strong commitment to Research, Development and Innovation (R&D&I), we anticipate market trends and customer needs. We provide cutting-edge solutions that turn challenges into opportunities.

This strategy allows us not only to respond to current needs, but also to redefine the standards of quality and efficiency in industrial VR. It ensures that our customers are always one step ahead in the adoption of innovative technologies.



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# 18\_

## Regional R&D projects

### R2M (2021–2023)

The R2M project develops flexible and reconfigurable manufacturing systems through collaboration between robots and machines. Funded by the Basque Government through HAZITEK, it aims to provide multifunctional and robust solutions that avoid costly re-engineering.



### SIMUTEME

The project aims to create a virtual reality medical simulation platform. It is funded by the Basque Government through HAZITEK. The companies in the consortium have worked on developing an innovative tool, researching the processes involved in acquiring skills, creating analysing tools and iteratively validating the solution.



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# 19\_

## European projects

### MASTER – Mixed reality ecosystem for teaching robotics in manufacturing.

The MASTER project is focused on boosting the extended reality (XR) ecosystem for teaching and training in robotics applied to manufacturing. Its main objective is to develop an open XR platform that integrates key functionalities for the creation of safe robotic environments, the programming of flexible robotic applications and the implementation of advanced interaction mechanisms, such as innovation in gaze-based interaction.

The MASTER consortium, composed of 7 partner companies from 3 different countries, also promotes collaboration with third parties through two open calls: the first one aimed at companies to integrate additional technologies and functionalities into the platform, and the second one aimed at the educational sector to test the platform and create educational content.



HORIZON Action Grant Based on HORIZON-CL4-2022-HUMAN-01-19.

The context of Industry 4.0 has driven the need to integrate robots and XR technologies into industrial processes. Collaborative robots, in particular, gained relevance in manufacturing. Against this backdrop, the MASTER project has set out to improve robotics training in manufacturing through the adoption of XR tools.

The training material generated by the project will help train operating personnel to understand and effectively use new automation technologies. XR technologies provide an immersive and contextualized learning environment, facilitating the acquisition of skills and competencies related to robotics in manufacturing.

The European Union's initiative through the MASTER program reflects its commitment to innovation and training in industry. The open calls will allow a dynamic

collaboration with industry and the education sector, encouraging the development and adoption of XR solutions in robotics training applied to manufacturing.

In summary, the MASTER project represents an important step towards strengthening the XR ecosystem in the field of industrial education and training.

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# 20\_

## Projects in defense

The STO, NATO's principal defence science and technology organisation, promotes collaborative research and information sharing. In 2023, Virtualware has participated in research projects in the field of XR simulators for training and medical applications.



### “Study, Design, Construction and Deployment of a CBRN XR”

This research project focuses on developing extended reality (XR) simulations to support NBCR (nuclear, biological, chemical, or radiological) incident exercises. It seeks to increase participation, reduce training costs, and expand the availability of training internationally, especially for NATO nations without testing facilities, as well as reduce environmental and health risks, and improve military readiness.

Among the expected accomplishments are XR research itself for NBQR training, user experience, AI to improve realism, automation and prototype XR NBQR training, as well as a Cooperative Technology Demonstration.

### “Effectiveness of extended reality-based medical training”

The project is a collaborative study of the solutions used in medical training based on XR and focused on the effectiveness of these solutions. It includes cost-benefit analysis, cybersecurity protocols, technological development up to TRL 5, certification of XR simulations, scientific and industrial collaboration, and IT and hardware synergies.

It is expected to reduce costs, modernize medical training capabilities, improve training immersion and engagement, foster cooperation between NATO countries, support interoperability and adopt common TTPs, and create market opportunities in the XR sector.

The project aims to advance the effectiveness of medical training with XR technology, but also to set standards, fostering collaboration and innovation in defense and international security.



## Common framework for XR technology assessment

The project focuses on developing a common framework for evaluating Extended Reality (XR) technologies for application in military training and education.

Recognizing the potential of XR, the project aims to simulate complex medical scenarios, improve safety and effectiveness of training, and promote collaboration. It seeks to evaluate performance, cost-effectiveness, quality, safety, scalability, ethical and legal implications. Complementing several NATO STO studies, it could revolutionize the readiness of military medical personnel, increasing efficiency and reducing costs in battlefield emergency management.

**Monitorización proceso**

PROCESO VICTIMA 01 VICTIMA 02 VICTIMA 03

Proceso: TCCC

Ataque con IED.  
Afectado 1 vehículo blindado ligero.  
Zona asegurada.  
5/25 realizado.  
**3 heridos**

25°   
VIENTO  
NW 20 nudos

**SELECCIÓN DE MATERIAL AMBULANCIA**

Botella de Oxígeno 10L	OBLIGATORIO	✓
Desfibrilador bifásico PHILIPS	OPCIONAL	
Respirador automático OXILOG 2000 PLUS	OBLIGATORIO	✓
Monitor constantes vitales PROPAQ	OPCIONAL	
Aspirador de secreciones	OBLIGATORIO	
Tablero espinal	OBLIGATORIO	
Inmovilizador cervical tipo DAMA DE ELCHE	OBLIGATORIO	

**TRIAGE**

VICTIMA 01	■	■
VICTIMA 02	■	■
VICTIMA 03	■	■

STOP

00:12:41



VIRTUALWARE  
GROUP

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