



Virtual Reality company Virtualware posted total revenues of €4.52 million in 2023, up 40% from the previous year

Bilbao, January 24, 2024 - European Virtual Reality company Virtualware (MLVIR.PA) (EPA:MLVIR), reported total revenues of €4.52 million in 2023, 40% more than in the previous year, just nine months after its IPO on Euronext Access Paris.

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.

VIROO enables developers around the world and of any size to easily generate and deploy virtual reality applications. It is currently used by companies on three continents, including large global conglomerates and public institutions.

"Over the next two years, we will channel our resources and expertise to further position VIROO as the most widespread VR development platform. We want to ensure that everything we offer the industry remains at the forefront of innovation. We want to consolidate Virtualware at the forefront of European virtual reality," said Unai Extremo, CEO.

Additionally, the company reported the following relevant data:

- In 2023, the company 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 58% of this segment.
- According to the 2023 earnings preview presented to the market today, the company's gross profit margin for 2023 increased to 81%, up from 76% in 2022, indicating continued improvement in operating efficiency.
- For the period, Virtualware's EBITDA for 2023 was €355,000, showing a growth of 8.47% compared to the previous year.
- After excluding one-off expenses related to the IPO, adjusted EBITDA for the period was €192,000. 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 25.08%.
- This increase in salary expenses is due to a 12% increase resulting from salary increases and staff expansion and a 13% increase attributed to employee share 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 reduction of 23% 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.

About Virtualware

Headquartered in Bilbao with offices in Toronto, Virtualware is one of the pioneering companies in the field of European virtual reality.

All its work is focused on developing virtual reality technologies oriented to industry, education, and critical sectors such as energy, transportation and defense.

Founded in 2004, the company was recognized in 2021 as the world's most innovative virtual reality company at the VR Awards.

Its VIROO technology is one of the first SaaS technologies worldwide adapted to the field of virtual reality, and is already used by companies on three continents.

Precisely, its strategic focus for Virtualware in the coming year is on expanding VIROO globally, enhancing VRaaS offerings, promoting sustainability and social impact, and attracting the best talent in the industry to maintain its leadership in the evolving virtual reality market.

Its client portfolio includes major conglomerates GE Hitachi Nuclear Energy, Ontario Power Generation, Petronas, Iberdrola, Alstom, Guardian Glass, Gestamp, Danone, Johnson & Johnson, Biogen, Bayer, ADIF, the Spanish Ministry of Defense, the Canadian automotive cluster Invest WindsorEssex, McMaster University, the University of El Salvador and EAN University.

The company went public on Euronext Access Paris in April 2023, where its shares are currently trading at €7.50 a share under the ticker MLVIR and a valuation of close to €34 million.

FULL EARNINGS RELEASE:

<https://www.virtualwareco.com/news/reports-solid-growth-2023/>

VIRTUALWARE ON EURONEXT

<https://live.euronext.com/en/product/equities/ES0105704003-XMLI>

FURTHER INFO

ir@virtualwareco.com



Income Statement '000 €	2023 Prev ,	2022
Business Total Revenue	4,521,400	3,219,376
Changes in inventories of finished goods and work in progress	13,000	-179,332
Work carried out by the company for its assets	474,087	638,906
Costs of Goods Sold	1,146,627	768,542
Gross Profit	3,861,860	2,910,408
Other Operating Revenues	406,928	541,837
Personnel Expenses	2,743,768	2,445,916
Stock based compensation	315,612	0
Other Operating Expenses	828,438	720,152
Fixed Assets Depreciation and Amortization	272,000	299,2
Grants to non-financial assets and others allocation	43,210	59,533
Impairment losses and gains/losses on disposal of non current assets	-41,824	0
Other Results	0	-18,324
Other non cash expenses	27,252	0
Operating Income	83,104	28,186
*Adjusted Operating Income	425,968	N/A
Financial Result	-31,861	-155,523
Income Before Tax	51,243	-127,337
Income Tax	-15,000	525,933
Net Income	36,243	398,596
*Adjusted Net Income	379,285	N/A

*Income adjustments for non cash expenses and stock based compensation

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