

18 January 2023

**ENGAGE XR Holdings Plc**  
("ENGAGE XR" or the "Group")

**FY2022 Trading Update and Notice of Results**

ENGAGE XR Holdings Plc (AIM: EXR; Euronext Growth: EXR), a leading metaverse technology company, today issues an unaudited update on trading for the 12 months ending 31 December 2022. The Group's preliminary results for the 12 months ended 31 December 2022 are expected to be published in April 2023.

**Financial Highlights:**

- Total revenue for the Group is expected to be €3.9m, an increase of 63% on 2021 (2021: €2.4m)
- ENGAGE revenue comprises 85% of total group revenue compared to 75% in 2021
- ENGAGE revenue up 83%. 2022 ENGAGE revenue is expected to be c.€3.3m (2022: €1.8m)
- Gross margin 82% in 2022 (2021: 79%)
- EBITDA loss of €5.8m (2021: €2.7m) reflecting the increased headcount in the Group in the year
- Net cash of €2.2m as at 31 December 2022 versus the revised expectation of €1.9m (2021: €7.8m). This is primarily due to cash collections in December being slightly ahead of schedule and revenue being better than expected in December
- Finished 2022 with an encouraging performance. December 2022 was the strongest ever month for the Group, with revenue in the month of €0.6m
- Cash burn is expected to be approximately €0.4m per month during H1 2023.

**Operational Highlights:**

- The Group continued to expand its US presence ahead of the launch of ENGAGE Link. ENGAGE XR's sales team is now strong across USA, Europe, and Asia, comprising 10 employees
- US Partner VictoryXR has launched 10 'Metaversities' funded by Meta and built on the ENGAGE platform.
- ENGAGE Link successfully launched in November 2022 with a portfolio of 14 major launch partners, including Lenovo, KPMG US, KIA, Adtalem, and MTN Group
- During December 2022, the Group signed three six-figure deals with new clients, including a Fortune 500 company, a global consulting company with revenues in excess of €18bn, and a Canadian educational institute
- In November, the Group signed a commercial reseller agreement for ENGAGE with Lenovo™, one of the world's largest computer manufacturing and smartphone companies
- Demand for the Company's ENGAGE platform is now well established, having grown to serve more than 190 commercial customers in the three years since its launch in May 2019, with over 70 customers added in 2022
- 16% of contracts are now greater than €75k in value (up from 6% in FY21), aligning to the Groups' medium-term outlook of an average contract value in excess of €20k

**David Whelan, CEO, ENGAGE XR, said:** "2022 has been a year of substantial revenue growth for the Group, despite the economic outlook in many other areas of the tech sector. ENGAGE platform revenue grew by 83% in this period, and we closed the year with our strongest-ever sales month with €0.6m of revenue in December 2022.

"We continue to see increased momentum in terms of customer engagement with our ENGAGE platform. The first few weeks of 2023 have already seen some good contracts signed with revenue already ahead of where we were at this point last January. We are optimistic about our prospects for the remainder of this year, with a strong sales pipeline in place following the launch of our enterprise metaverse platform, ENGAGE Link, in November.

"We believe that ENGAGE Link has been well received, and we expect to deliver a significant expansion of this service throughout 2023. The sales purchasing cycle lengthened in the second half of 2022 in some areas due to the global economic conditions, but early signs are that this trend is easing. We, therefore, expect to see steady growth for the first half of 2023, with the benefits of our new Lenovo partnership announced in November expected to be seen during the second half of 2023.

"Lenovo and ENGAGE will work together, bundling Lenovo hardware with ENGAGE software licenses for large corporate clients and providing metaverse services to those who request them. This will be an exciting time for both companies. Our sales teams are already working together to ensure we execute on all the opportunities and scale efficiently with a focus on the US and EU markets.

"During 2023, we believe that we will see the use of the metaverse by corporations and educational institutes increase and evolve. My vision for ENGAGE is for it to become the dominant metaverse platform of choice for Fortune 500 companies. In 2022, we worked on partnerships and deals that will further this long-term goal at the expense of closing multiple smaller cash deals. At ENGAGE XR, we build our business relationships on strong foundations, and I believe that this coming year is set to be a seminal one for the Group and its prospects."

*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.*

**For further information, please contact:**

**ENGAGE XR Holdings Plc**

David Whelan, CEO  
Séamus Larrisey, CFO  
Sandra Whelan, COO

Tel: +353 87 665 6708  
info@engagexr.co

**finnCap Ltd** (Nominated Adviser & Joint Broker)  
Marc Milmo/ Seamus Fricker (Corporate Finance)  
Sunila de Silva (ECM)

Tel: +44 (0) 20 7220 0500

**Shard Capital Partners LLP** (Joint Broker)  
Damon Heath / Erik Woolgar

Tel: +44 (0) 20 7186 9952

**Davy** (Joint Broker & Euronext Growth Listing Sponsor)  
Barry Murphy / Lauren O'Sullivan

Tel: +353 1 679 6363

**SEC Newgate** (Financial Communications)  
Robin Tozer / Naz Zandi

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

**About ENGAGE XR**

ENGAGE XR Holdings plc (AIM: EXR; Euronext Growth: EXR) is metaverse technology company focused on becoming a leading global provider of virtual communications solutions through its new fully featured corporate metaverse, ENGAGE Link. A demonstration of ENGAGE Link is [here](#)

The Company also has a proprietary software platform, ENGAGE. ENGAGE provides users with a platform for creating, sharing, and delivering VR content for education, training, and online events through its three solutions: Virtual Campus, Virtual Office, and Virtual Events.

EXR is listed on AIM in London and on the Euronext Growth Market in Dublin, a market operated by Euronext Dublin.

For further information, please visit: [www.engagexrholdings.com](http://www.engagexrholdings.com) (LinkedIn: @Engage XR Holdings plc  
Twitter: @engage\_xr)

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