



VIRTUALWARE 2007, S.A

Calle Usausuaga nº 7, 48970, Basauri, Vizcaya, Spain

www.virtualwareco.com

INFORMATION DOCUMENT

**ADMISSION TO TRADING OF SHARES ON EURONEXT ACCESS
PARIS**

APRIL 2023



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Ce document peut également être consulté sur le site internet VIRTUALWARE 2007, S.A. (<https://www.virtualwareco.com/>)

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GLOSSARY

(A)

Augmented Reality: An experience that utilizes a camera to change or enhance something in the user's real world. This augmented reality experience can be app-based or web-based.

AR Head Mounted Display: A device with clear glasses or goggles that attaches to a user's head and shows virtual images projected on, or in, the real world.

Allow Rate: The percentage of users that allow camera access when they encounter an AR ad through an app or on the mobile web.

AR Engagement: When a user interacts with the AR experience in some manner.

AR Analytics: There are a wide range of AR Analytics types, and lots of ways to track Augmented Reality performance. From platforms like Google Analytics, to cutting-edge technologies like Spatial Tech.

Automatic Initialization: Automatic initialization is the instant processing of the real-world environment in order to automatically place virtual elements onto that image seamlessly. This includes reading objects and the orientation of those things, people and places, to accurately scale the Augmented Reality experience into it.

Ambisonics: Ambisonics is the name given to a method of recording and reproducing sounds in 360°. This is done using a special array of at least 4 microphones to capture sounds from every direction. These sounds are then stored and decoded for use with surround sound and 360° videos.

(C)

CAVE: A cave automatic virtual environment or CAVE uses projections on the walls and ceiling of a room to create the illusion of a real environment. A viewer can move around anywhere inside the cave, giving them the illusion of immersion.

(D)

Degrees of Freedom: Degrees of freedom or DOF refers to the different degrees of movement available to an object inside a space. There are six types of movement that can be further divided into translation (straight line movement in a specific direction) and rotation (a movement about the x-, y-, or z-axis) movesets.

Dollhouse view: A dollhouse view refers to a zoomed out, usually top-down view of a given 3D space or structure from the outside. It enables designers to observe the entire area without moving around and view computer-modeled designs in their entirety before physical prototyping begins.



(E)

Extended Reality: Can be utilized as an umbrella term that encompasses any type of immersive content.

Eye-tracking: A technique that tracks where a user's eyes are looking. Eye tracking allows developers to optimize the performance of AR/VR experiences by focusing system resources on where the user is looking.

Embedded AR: Embedded AR means affixing an Augmented Reality experience into an existing website.

Equirectangular Projection: In an equirectangular projection, a spherical image is mapped to a flat plane.

(F)

FOV: The field of view is the total number of degrees visible at any given moment from a given point of view. Most people's field of view is approximately 200°; about ~120° of binocular vision and another ~40° of monocular vision on either side of this area which is covered only by one eye's field of view.

Frame Rate: Frame rates are the frequency at which an image/frame on a monitor is replaced by another. Each frame represents a still image to replace the previous image with, giving off the illusion of change/movement on a monitor.

(G)

Geo AR: Geo AR, or location-based Augmented Reality, places virtual elements into the user's real-world environment into fixed, real-time locations.

Gamification: Gamification is the use of game-focused elements that help to increase the engagement within an Augmented Reality experience. Elements such as scoring points, competing against other players or skill based mini-games.

Gaze-based interaction: Gaze-based interactions refer to interactions between the user and the VR content, where the content is directly impacted by the user's gaze, i.e., the direction the user is looking in when wearing a VR headset.

(H)

Hand-tracking: A technology that tracks the location of a user's hand in an AR/VR experience in order to bring more control to the experience and create more realistic avatars.

Head-tracking: When the computer creates and displays content in real time. This technique allows the AR/VR experience to change in real time.



Heat Map: A visual color-coded analysis of an AR or VR experience that indicates what parts of the scene people are paying most attention to. The heat map can be generated based on where the user is gazing or by where the user is within the scene.

Haptics: Haptics refers to the use of technology that stimulates the feeling of touch and motion, which is extremely useful within Augmented Reality experiences to increase the feeling of immersion.

HUD: Is a transparent graphic which displays data in the line of sight, eliminating the need to look away from the usual viewpoint.

HMD: A head mounted display or HMD refers to a VR headset, basically a set of lenses combined with either an inbuilt display or attached smartphone in the form of a helmet or goggles that can be strapped around your head.

(I)

Immersion: Immersion is the viewer's sense of being part of a virtual environment. It is achieved when sound, design, atmosphere, visualization, etc. are able to create a sense of actually being in the virtual world.

Inside-out tracking: Inside-out and outside-in tracking refer to the two different approaches to monitoring the user's movements outside of VR to mirror them inside of the VR environment.

(L)

Location-based VR: A VR experience that takes place outside the home. In location-based VR, a user is wearing a head mounted display and the location itself is designed in a way to heighten the experience further.

Locomotion: Locomotion refers to the means by which the user is able to move around within a VR environment.

(M)

Marker Based: A type of AR experience that uses a specific marker in the real world, such as a QR code or an AI learned concept (recognized object) to trigger the display of AR content. It does require a pre-determined image, pattern, or physical object that is recognized by the camera and image recognition software to launch the AR experience.

Markerless: Markerless AR technology is used to recognize patterns or features in an environment that were not previously provided to the application, enabling, for instance, a consumer to scan a real world environment like a tabletop or a room in their apartment using their smartphone camera and virtually place a product there to see how it would look.



Monoscopic VR: A form of VR that is captured with one lens. Monoscopic VR is used to create flat 360 degree images and is typically less immersive than stereoscopic VR.

Mixed Reality: Refers to an experience that is a hybrid of AR and VR. The viewer is still able to see the real world but virtual objects are incorporated seamlessly into that environment.

(O)

Outside-in tracking: Outside-in tracking focuses on placing cameras, sensors, and other tracking devices around the user to cover whatever area is used to simulate the virtual box the user will interact with. These devices trace the locations of any moving objects in the scene and translate them into virtual movements.

(P)

Parallax: Parallax describes the perceived movement of objects when the viewer moves.

POV: The point of view or POV is the reference point from which observations, calculations, and measurements take place; the location or position of the viewer/object in question.

(R)

Room Scale VR: A highly immersive VR experience where the user can explore the experience as though they were physically present. The user is able to move in all directions with 6 degrees of freedom motion tracking.

Reticle: The reticle refers to a visual marker representing the user's gaze in a 3D environment.

Room-scale / Room Tracking: Room-scale VR is a subcategory of VR that extends the VR environment to a room-sized setting. The user's physical movements are tracked and reproduced inside of the virtual environment, allowing them to interact with objects in a much wider sphere of influence than stationary seated/standing VR would.

(S)

Stereoscopic VR: A form of VR where different images are delivered to each eye to create an experience that has more depth. This type of VR is captured with two lenses to replicate the placement of your eyes.

Side-by-side (SBS): Side-by-side or SBS refers to a rendering method in which two separate camera recordings (often slightly different versions of the same recording) from a stereoscopic video are rendered in a single video file, with one recording mapped to the left eye and the other mapped to the right eye.



Stitching: Video stitching is a technique used to produce large or high-resolution images. It takes multiple different overlapping images from separate points of view and ‘stitches’ them together to form one composite image.

(T)

Tethered headset: There are currently two different types of headsets for VR: tethered and mobile. Tethered headsets are physically connected to a powerful computer using wires, allowing them to make use of the processing power available to track positions, movements, etc.

(U)

User Context: The physical environment in which computer-generated images are being inserted. Context is critically important to an AR experience.

(V)

Virtual Reality (VR): An experience that is made to be significantly more immersive than standard video assets. VR allows a user to be completely immersed into an environment of the marketer’s choice.

VR Head Mounted Display: A device that attaches to your head and presents VR content directly to your eyes.

Volumetric Capture: The ability to capture real people or objects in 3D to be used in VR environments. The opposite technique would be to start with a 3D object and try to make it look realistic.

(W)

Web AR: Enables a consumer to load AR experiences directly from the web on their browser. WebAR minimizes friction that a consumer may experience when trying to view AR content.

Web AR Holograms: Web Augmented Reality Holograms is a 2D or 3D animation or video, be it a person or thing, that plays or appears in the user’s real-world environment. Web AR means that it can be activated using the customer’s internet browser on their phone. Therefore, they don’t need to download an app in order to experience the AR hologram content.



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Company representative for Information Document

VIRTUALWARE 2007, S.A. incorporated under the laws of Spain, is a Spanish company domiciled in Calle Usausuaga nº 7, 48970, Basauri, Vizcaya, Spain. The Company is registered with the Commercial Registry of Vizcaya at volume 4.377, sheet 1, page number BI-38.500, inscription 1º, with tax identification number A-95291613, is duly represented by Unai Extremo Baigorri, Chief Executive Officer who is also the person responsible for the present Information Document.

Person responsible for the Information Document

Unai Extremo, as Chairman of the Board of Directors, acting for and on behalf of **VIRTUALWARE 2007, S.A.** (hereinafter, the “**Company**” or the “**Issuer**” or “**Virtualware**”) hereby declares, after taking all reasonable measures for this purpose and to the best of his knowledge, that the information contained in this Information Document is in accordance with the facts and that the Information Document makes no material omission.

Liability Statement

Pursuant to as provided for by the Euronext Access Rule Book, Virtualware’s Board of Directors declare the following: “We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.”

Unai Extremo Baigorri, Digital Signature:

Listing Sponsor

VIRTUALWARE 2007, S.A. designated **SOLVENTIS S.V., S.A.** (hereinafter, “**Solventis**”) as a Listing Sponsor in order to lead the incorporation to Euronext Access of the Issuer. It was authorised by the Euronext Listing Board on the 27th of July 2022. SOLVENTIS S.V., S.A. is domiciled in Paseo de la Castellana 60, 4th right floor, 28046, Madrid, Spain, registered in the Mercantile Registry, with Identification Code: A63593552. It is represented in this operation by Mr. Mariano Colmenar, Managing Director of the firm. Solventis is represented by a multidisciplinary team of professionals with high experience in security issuance and overall capital markets activities both in public as well as in private markets. No other consultants concur in the incorporation process or in the preparation of this information document.



1. GENERAL INFORMATION ABOUT VIRTUALWARE

Company Name: Virtualware 2007, S.A.

Address: Calle Usausuaga nº 7, 48970, Vizcaya, Spain

Register number: The Company is registered with the Commercial Registry of Vizcaya at volume 4.377, sheet 1, page number BI-38.500, inscription 1º, with tax identification number A-95291613.

Virtualware Group is a global technology group specialized in developing innovative digital business models. It is composed by Virtualware 2007 S.A, its offices abroad (UK and Canada), Virtualware Labs Foundation (R&D centre), and 2 spin outs: Evolv Rehabilitation S.L and Hermeneus World S.L. In the case of Virtualware Labs Foundation, it was only part of the group until 2022. The group's headquarters are located in the town of Basauri (near Bilbao) Spain.

- Virtualware 2007, S.A.: world leading company providing bespoke solutions based on immersive and interactive technologies.
- Evolv Rehabilitation S.L.: Medical device manufacturer specialized in rehabilitation technology solutions.
- Hermeneus World S.L.: Software-as-a-service platform for commercial ecosystems specialized in the digitalization of primary sector SMEs and small retailer.

The Company that pursues to list on Euronext Access Paris is Virtualware 2007, S.A.. Founded in 2004, the Company has been using virtual reality solutions for two decades operating from its headquarters in Bilbao, Spain. Virtualware focuses on developing VR technologies that can help complex industries solve real problems, such as training strategic workers in nuclear plants or construction operations and maintenance of railway infrastructures, to solving medical issues in the battlefield.

1.1 Company purpose

The company purpose is set out in Article 2 of its bylaws.

“Article 2 –Company Purpose

1. *The Company's corporate purpose is: a) Software development; b) Security consultancy; c) Telecommunications systems consultancy; d) Provision of informatic services; e) Three-dimensional modelling; f) Provision of draughting services; g) Technology consultancy; h) Rental of projection systems; i) Training in technological matters. The main CNAE of the Company's activity is 6209 (Other services related to information technologies and computing).*



2. *The Company's corporate purpose does not include activities that need to comply with legal requirements not satisfied by the Company. Likewise, if any law requires a professional degree or title, administrative approval, registration in any public registry, or any other requirements for the exercise of all or some of the aforementioned activities, such activities will not start until the necessary administrative requirements have been complied with and, where necessary, they will be carried out by person(s) holding the required degree or title.*
3. *The Company may carry out the activities comprised within its corporate purpose, in whole or in part, directly or through the holding of shares of other companies that have an identical or analogous purpose.*
4. *When carrying out its corporate purpose, the Company shall ensure that it generates a positive social impact for society, its stakeholders and the environment."*

1.2 Duration

The company duration is set out in Article 5 of its bylaws.

"Article 5 – Commencement and duration of business activity

1. *The Company is incorporated for an indefinite term.*
2. *The Company started its operations on 1 January 2004."*

1.3 Financial Year

The company financial year is set out in Article 25 and 26 of its bylaws.

"Article 25 – Financial Year

The Company's financial year will last one year, from January 1 to December 31 of each calendar year."

"Article 26 – Distribution of profits

1. *The General Meeting of Shareholders will decide on the distribution of the earnings for the financial year in accordance with the Law. If the general meeting decides to distribute dividends, these will be allocated to shareholders in proportion to the share capital paid in by each shareholder. Payment of dividends will be made on the dates determined by the General Meeting of Shareholders.*



2. *Unclaimed dividends will prescribe and revert to the Company at the end of five (5) years from the date on which payment was to be made.*
3. *The General Meeting of Shareholders or the Board of Directors may approve the distribution of advanced dividends (cantidades a cuenta de dividendos) subject to any limitations and complying with the requirements established by the Law.”*

1.4 Dividends

The Issuer has not distributed dividends as of the date of this document, as per the recent constitution of the Company and the stage of its development. The company does not plan in the short term to distribute dividends to their shareholders once they are listed on Euronext Access Paris.

1.5 Administrative, management and controlling bodies

1.5.1 Board of directors

The company's Board of Directors conditions are set out in Articles 20-24 of its bylaws.

“Article 20 – Company's administration body

The Company will be managed by the Board of Directors.”

“Article 21 – Powers of the Board of Directors

1. *The Board of Directors will have authority to manage and represent the Company as provided by Law.*
2. *In carrying out their duties, directors shall take into account in their decisions and actions the effects of such decisions or actions on the interests of (i) shareholders; (ii) employees of the Company and its subsidiaries; (iii) customers, suppliers and other parties directly or indirectly related to the Company, such as the community where, directly or indirectly, the Company operates. They shall also ensure the protection of the local and global environment and the Company's interests in the short and long term.”*

“Article 22 – Term of office of director



1. *Directors will be appointed for six (6) years. This period is the same for all directors, without prejudice to any re-election or the power of the general meeting to dismiss a director at any time in accordance with the provisions of the Law.*
2. *If a vacancy arises during a director's appointment, and no substitute is appointed, the Board of Directors can designate from among the shareholders a person to fill this vacancy until the next meeting of the General Meeting of Shareholders."*

"Article 23 – Directors' remuneration

1. *The remuneration of directors in their position as such will be a fixed cash allowance determined by the General Meeting and will be regulated by the following rules.*
 - a. *The remuneration shall be set by the General Meeting at a meeting held at any time before the end of the financial year to which the remuneration relates or at which the change in remuneration is to take effect.*
 - b. *The remuneration will be considered established for each financial year of twelve (12) months. If a financial year is less than twelve (12) months, the remuneration will be reduced proportionally.*
 - c. *As the remuneration will accrue monthly in arrears, the remuneration for each director will be proportional to the time he/she has held office in each financial year to which the remuneration applies.*
 - d. *Payment will be made monthly in arrears within the first five (5) days of the calendar month following the month in which the remuneration accrued. Until the General Meeting of Shareholders amends the current remuneration, the most recently agreed remuneration will be applied monthly. Where necessary, the remuneration paid will be adjusted with an increase or decrease within the first five (5) days of the calendar month following the month the general meeting amended the remuneration.*
 - e. *Where there are several directors, if a vacancy is not covered during part of a year, the portion of the unassigned remuneration will not be allocated to the other directors, except if so resolved by the General Meeting of Shareholders, indicating the signature of allocation.*
2. *If a member of the Board of Directors is appointed managing director or assigned executive functions under another title (the "Executive Director"), the Executive Director shall*



additionally receive a remuneration consisting of one or more of the following components, which will be specified in that Executive Director's contract under article 249 of the Law:

- a. fixed amount;*
 - b. variable remuneration with general reference indicators or parameters;*
 - c. potential compensation for dismissal or termination of the relationship with the Company;*
 - d. any amounts the Company must pay as insurance premiums or contributions to savings plans.*
3. *The maximum annual remuneration for all directors shall be approved by the General Meeting of Shareholders and will remain in force until any amendment is approved. Unless the General Meeting of Shareholders determines otherwise, the directors will agree on how to distribute this remuneration among themselves, and in the case of the Board of Directors, by decision of itself, considering the contractual duties and responsibilities assigned to each director and the commitments the Company has taken on under the agreements entered into with the Executive Directors, paying particular attention to the commitments assumed by the Company in the contracts that it had concluded with the Executive Directors.*
4. *The provisions in this article are compatible with and separate from the payment of any fees or salaries the Company owes to any director for providing professional services or on account of an employment relationship that does not result from the office of director. These fees will be subject to the applicable legal regulations."*

"Article 24 – Governance and functioning of the Board of Directors

1. *The Board of Directors will be composed of at least three (3) members and a maximum of twelve (12). The General Meeting of Shareholders will decide the exact number of directors.*
2. *The Board of Directors will name from among its members a chairman, and may appoint a vice-chairman who will replace the chairman in the case of a vacancy, absence or sickness. The Board of Directors will also name a secretary, and may name a vice-secretary who will replace the secretary in the case of a vacancy, absence or sickness. The secretary may or may not be a member of the Board of Directors, in which case the secretary will have the right to be heard, but will not have voting rights. This also applies to the vice-secretary.*
3. *The Board of Directors must meet at least once every quarter.*
4. *The Board of Directors will be convened by the chairman or acting chairman. Directors representing at least one-third of the members of the Board of Directors may convene the*



board, setting out its agenda, to meet in the municipality where the Company's registered office is located, if the chairman, once requested and without a justified reason, does not convene the board within a month.

- 5. The notice calling the meeting will be delivered by letter, telegram, fax or any other written or telematic way. The notice will be addressed personally to each director at least three (3) days prior to the calling of the meeting. A meeting of the Board of Directors without notice will be valid if all members of the board are present and unanimously agree to hold a meeting.*
- 6. Unless other mandatory majorities apply, the Board of Directors will be validly constituted when at least the absolute majority of its members are present, whether in person or represented by proxy. If composed of an uneven number of directors, the absolute majority of the directors will be determined by default (for example, 2 directors must be present on a board of directors composed of 3 members; 3 on a board composed of 5 members; 4 on a board composed of 7 members).*
- 7. Resolutions may be passed validly by the Board of Directors at meetings held using videoconference, conference call or any equivalent system, provided always that the necessary technical means are available and that the directors recognize each other. In such event, the meeting of the Board of Directors will be considered to have been held at the Company's registered office.*
- 8. A director may only be represented by another director at the meeting of the Board of Directors. Proxies must be appointed in writing and addressed to the chairman.*
- 9. The chairman will call meetings to order and direct the deliberations on all business to come before the board, having the power to open the floor and to give board members information and reports on the Company's status.*
- 10. Unless other mandatory majorities apply, resolutions will be adopted by an absolute majority of the directors present at a meeting. If an uneven number of directors attend a meeting, an absolute majority will be determined by default (for example, 2 directors in favour if 3 members are present; 3 directors in favour if 5 are present; 4 directors in favour if 7 are present).*
- 11. Resolutions adopted by written resolution without a meeting will be valid if no board member opposes such a procedure.*
- 12. Discussions and resolutions adopted by the Board of Directors will be entered into a minutes book.*



13. Without prejudice to any powers of attorney granted to an individual, the Board of Directors can appoint from among its members one or more managing directors or executive committees, establishing the content, restrictions and types of delegation. The permanent delegation of authority by the Board of Directors to an executive committee or to one or more managing directors, and the appointment of the director or directors that will hold this office, requires the affirmative vote of at least two-thirds of the members of the board of directors, and it will not become effective until it has been entered on the Commercial Registry.”

1.5.2 Board of directors composition

The Board of Directors is composed of Unai Extremo as Chairman and CEO, Sergio Barrera as member and Asier Extremo as member secretary, as appointed by on the 7th of February of 2019.

President and CEO

- **Name:** Unai Extremo
- **Passport nº:** A1606175600

Secretary and Member:

- **Name:** Asier Extremo
- **NIF:** 16.050.871E

Member:

- **Name:** Sergio Barrera
- **Passport nº:** A4562224200

1.5.3 Directors and Management Team

The Management Board is assisted by a management committee ensuring compliance with best governance practices. Several committees, including a Sustainability Committee, have been in place since 2018 and are already developing a yearly ESG Report. Subsequent to a future listing, the company is drafting plans to expand the Board of Directors, create an Audit Committee, a Sustainability Committee, a Remuneration, and a Nominations and Remunerations Committee.



Unai Extremo – Founder and Chief Executive Officer (CEO)

VIRTUALWARE | Founder and CEO (2003-Present)

Unai leads the company from a strategic point of view. He is in charge of the generation and monitoring of the strategic plan. He leads the marketing, sales and business development teams, contributing with his vision, knowledge and experience. As CEO, he reports quarterly to the group's board of shareholders. Additionally, he participates in the group's R&D&I and contribute his experience in the generation of business models.

EVOLV | CEO (2018-Present)

Supports and adds value to the management in the planning and monitoring of the company's strategy. Unai manages and leads fundraising, investment and financial support. He additionally supports the generation of institutional relationships and reports quarterly to the board of the company.

SOFTWARE BIIZKAIA SOLUTIONS | 3D Department Director (2002-2003)

Unai was in charge of managing a department with up to 14 people dedicated to the design and development of 3D environments for simulators, virtual reality systems and the generation of 3D videos and infographics.

DEUSTO UNIVERSITY | Assistant University Lecturer (2001-2002)

Integrated in the computing centre of the Faculty of Engineering of the University of Deusto, He was in charge of generating the contents and teaching practical subjects related to software development in .NET and multimedia.

Academics:

- Computer Engineering – Deusto University, 1999-2001
- Masters Degree Virtual Reality – Desuto University, 2001-2002
- Project Management Program – Universitat Politècnica de Catalunya, 2004-2005



Sergio Barrera – Founder and Chief Technology Officer (CTO)

VIRTUALWARE | CTO (2003-Present)

Handling and management of software and hardware in the field of visualization and user interaction technologies to achieve new products and solutions. Internal and external technical advice. Planning and management of complex projects.

UNIVERSITY OF WALES | Operative Systems Teacher (2007-2008)

Professor of several subjects related to Operating Systems programming, including Unix Operating Systems and Distributed Operating Systems.

SOFTWARE BIZKAIA SOLUTIONS | Lead Programmer (2001-2003)

Developing a realtime 3D engine for a multipurpose Virtual Reality Platform. Additionally, Sergio was in charge of:

- BEC Stereostopic project for Bilbao Exhibition Centre.
- Bilbao Stereostopic for Bizkaia Foral Deputation.
- Implementation of the video serialization module for a PC-based CAVE-like system.
- Implementation of stereoscopy module for PC-based CAVE homolog system.
- VR-IntEngine v1.0, v1.5, v2.0, design and dynamics module, collision detection models with virtual environment, object kinematics for VR-IntEngine v1.0.

Academics:

- Computer Engineering – Deusto University, 2000
- Masters Degree Virtual Reality – Deusto University, 2001



Asier Extremo – Chief Financial Officer (CFO) and Chief Operation Officer (COO)

VIRTUALWARE | CFO & COO (2009-Present)

Reporting to the general manager of the company, assume management responsibilities with the idea of professionalizing the management and achieving the strategic objectives set by the company, prioritizing, among them, the internationalization of the company.

ECOMAT | Manager (2008-2009)

Assume the responsibilities of manager of the company depending on the board of directors, his main duties were:

- Company results, investments and personnel management
- Creation and development of a business plan
- Modernization of management (introduction of ITs, process management, obtaining certification ISO 9000-2000 CERTIFICATION).
- Development of a marketing plan, customer orientation.
- Other duties and responsibilities of the position.

GEA | Industrial Manager (2005-2008)

As Industrial Manager, he reported to the Managing Director and was a member of the company's board of directors. Asier was in direct charge of a team of 80 people, 60MD directly and 20MI (Production, Supply Chain and Quality Control Managers) managing a 2007 turnover of 50 M€ turnover in 2007. Main responsibilities and functions were the management and direction of the production teams of the different plants and the management of investments.

GEA | Production Manager (2002-2005)

During this period, Asier assumed responsibility for the production department of the factory, which is made up of 45 direct and 10 indirect employees, managing more than 15 M€ of turnover in 2002 and 25 M€ in 2005. The key responsibilities were:

- Production management, cost control.
- Development of strategic plans of Technological and Organizational character.
- HR management of the factory at production level.

GEA | Production Planner (2000-2002)

Belonging to the factory production department, responsible for organizing and planning production. During this period, he developed a system for collecting and analyzing production data and introducing continuous improvement systems. and introduction of continuous improvement systems.

CLUSTER ENERGIA EUSKADI | (1998-1999)

Asier's main mission was to contact the companies belonging to the Cluster selecting possible projects and tenders to be developed by them.

Final degree project, development of a cogeneration system for a hospital, market study, commercial feasibility, land and construction.

Academics:

- Industrial Engineering – Universidad del País Vasco, 1991-1999
- MBA – ESIC, 2008-2009



Ainara Larrinaga – Financial and Administration Manager

VIRTUALWARE | Financial and Administration Manager (2020-Present)

Lead the global financial-economic cycle, ensuring the efficiency of process and operations through the implementation of processes which meet Virtualware strategic goals. Execution of strategic planning to elaborate the annual budget, supervising the areas of finance, accounting, management control, treasury and investments.

VIRTUALWARE | Responsible for Administration and Economic Management (2016-2020)

Focused on accounting, invoicing, tax management, audits, and general administrative management of Virtualware. Cooperate in the management of commercial and R+D+I projects collaborating with the CFO in the financial-economic area automation. Also member of Virtualware Gender Equality and Health Business work committees.

VIRTUALWARE | Administration and Economic Technician (2011-2016)

Support the company with the strategy of expansion and internationalisation in North America.

Academics:

- Degree in Business Management & Administration – University of Basque Country, 2005-2012
- Accounting, Tax and Labour Analysis – Sarriko Business School, 2010



David Moreno – Chief Marketing Officer (CMO)

VIRTUALWARE | CMO (2014-Present)

David is responsible for global revenue generation. He defines and implements the commercial strategy at global level supporting the commercial directors of Spain, Mexico, Chile and Colombia.

Development of ICT proposals and commercial tools for the search of new opportunities and new customers at global level.

VIRTUALWARE | Business Development Director – Spain and Mexico (2012-2014)

In charge of the direction, management and coordination of the commercial strategy in Spain and Mexico. Involved with strategic planning with area managers to generate new business opportunities in Spain and Mexico. Additionally, in charge of:



- Elaboration of ICT proposals and commercial tools for the search of new opportunities and new clients in Spain and Mexico.
- Direction and management of projects and key accounts.
- Integration and alignment of all functions related to revenue generation, including marketing, sales, billing and production.

VIRTUALWARE | Education Business Unit Manager (2010-2012)

Some of the key responsibilities David had in this position were:

- Direction, management and coordination of commercial actions for the generation of opportunities and new clients in the education sector.
- Elaboration of ICT proposals and commercial tools for the achievement of projects in the education sector.
- Direction and management of projects and key accounts in the education sector.

VIRTUALWARE | Creative Director (2006-2009)

Some of the key responsibilities David had in this position were:

- Responsible for the final aesthetic and usability finish of the applications.
- Design and programming of the User Interface (UI) of the applications.
- Design and programming of the User Experience (UX) of the applications.

Academics:

- Bachelor of Science Honours in Computing – University of Wales, 2003-2007.
- Sales Management Superior Program (PSDV) – ESIC Business & Marketing School, 2014.



Maria Isabel Nuñez – Talent Manager

**VIRTUALWARE | Talent Manager (2020-Present)**

Dedicated to own the global talent cycle, ensuring efficiency of agile talent process and operations, creating and implementing changes or improvements, whilst aligning process with Virtualware's strategic goals. Focused on developing recruitment strategies as well as designing and executing selection criteria and procedures for personnel selection.

VIRTUALWARE | Corporate Marketing Manager (2018-2020)

Lead the marketing department coordinating the different work teams involved. Design and execution of marketing and branding strategies that respond to the business growth objectives. Plan and fulfil the timing of key marketing activities, in coordination with other areas of the company and the entire value chain.

ALBOAN | Corporate Relations (2015-2017)

Marketing and communication tasks to make visible initiatives and projects of the area aimed at companies, educational entities and other organisations.

GAIA | Responsible for Multilateral Projects and International Promotion (2000-2015)

Collaboration in strategic plans for the sector, internationalization, market and foreign promotion. Involved with the management of grant and multilateral projects for GAIA initiatives whilst advising to member on grants available to them for their internationalization strategies. Plans to promote the visibility of partners and GAIA and its projects/services coordinating and editing GAIA publications.

Academics:

- Business Studies, International Trade Business Studies – Cavendish College, 1999
- Degree in Political Science and Public Management – Faculty of Social Sciences and Communication, 1992-1998



Jesus Garrido – Chief Sales Officer (CSO)

VIRTUALWARE | CSO (2011-Present)

Plans, directs and coordinates the sales and marketing activities of the company.

GOLD MILLENIUM | Consultant (2009-2010)

Leading the project "Real Madrid Summer Campus", collaborating in the preparation and development of trainings for PMI (Project Management Institute), client acquisition for different projects in the consultancy, mainly focused on the Import/Export area for different projects in the consultancy, especially focused on the area of Import/Export. Development of the "Glamour" project (introduction of Cosmetic Companies in China) and client acquisition.

CAJA DE AHORROS DEL MEDITERRANEO | BUSINESS MANAGER (2007-2008)

Commercial, account control and customer service for companies. New customer acquisition.

HEALTHNESS IBERICA | CRM JUNIOR CONSULTANT (2006-2008)

Sales representative to install the CRM system and search for new clients. Coordinator of Personal Trainers and organization of sporting events. Working part-time.

BANKINTER | Administrator (2006-2008)

Collaborator of the Senior Commercials in the follow-up, control, pricing and commercial tasks with the companies.

Academics:

- Bachelor in Business Management and Administration – Universidad Autónoma, 2002-2007
- Post-Graduate of Investigation and Market Techniques – Univesidad Autónoma, 2007





Michael Rosas – Senior Vice President (SVP- North America)

VIRTUALWARE | VP General Manager (2020-Present)

Support the company with the strategy of expansion and internationalisation in North America.

TRICON FILMS & TELEVISION | Creative Director (2005-2016)

With many years under his belt as a creative director and leader of strategy, sales and innovation, Michael has honed his skills working with North America's top talent to develop, create, brand, and sell thousands of hours of broadcast programming, VR entertainment and Branded Content.

Academics:

- Bachelor Degree on Media Arts – Sheridan College, 1998-2001

Other Key Managers:

- **Arrate Ruiz** (Supply Chain Manager)
- **Borja Dominguez** (Software Delivery Manager)
- **Elena Vallejo** (UI/UX Manager)
- **Gaizka Elozegui** (VIROO® Service Owner)
- **Iñaki Ruiz** (Hardware Service Owner)
- **Iñaki Linaza** (Software Delivery Manager)
- **Iñigo Arribalzaga** (Software Delivery Manager)
- **Jon Casuso** (Hardware Delivery Manager)
- **Laura Perez** (Request Manager)
- **Maria Madarieta** (R&D Program Manager)
- **Miker Silvosa** (Content Delivery Manager)
- **Unai Baeza** (VIROO® Content Service Owner)
- **Vicent Oron** (Customer Service Manager)

1.5.4 Assessment of the board of directors related to Bankruptcy, liquidation, and/or fraud related convictions

The Board of Directors declares that they have not been subject to fraud convictions in the past, neither are there any on-going procedures in this regard in which any person in the management and/or Board of the Issuer has been involved.



2.HISTORY AND KEY FIGURES

2.1 History

Virtualware's history dates back to 2004 when three engineers founded the company with the purpose of providing software services applied to virtual reality in the real estate sector. The mission behind this was the identification of a market opportunity in real estate as there was growing demand in the purchase and sale of real estate assets.

The initial business model consisted of developing tailor made built-to-suit solutions to specific needs of their clients, rapidly expanding towards the application of virtual reality in the industrial and educational sectors, strengthening the software used and seeking for a more recurrent business model.

Therefore, as the first few years of the company's existence passed, they began to redirect the business towards the application of virtual reality in the industrial and educational sectors, strengthening the software used. Evaluating the success, they decided to internationalise the business with its first office in Mexico.

As time progressed with the entry and growing acceptance of virtual reality in the sectors Virtualware worked for, they began to benefit from the cost reductions in VR devices and the ability for greater customisation in the software systems. This allowed the company to scale its business and find in the VRaaS model the recurrence they were looking for, offering companies a service tailored-suited to their particular needs. The company benefited as its customers were able to use Virtualware products with a decreasing investment in VR devices. In addition, the emergence of new VR authoring software brought down development costs, which meant that more customers were able to purchase Virtualware solutions.

Virtualware is now formed by a multidisciplinary team of almost 50 employees located in its headquarters in Spain and international offices in Canada.

2004	<ul style="list-style-type: none">• Founded in Bilbao, Spain – Bilbao Virtual Master Plan
2006-09	<ul style="list-style-type: none">• Platinum European Seal of e-Excellence (CEBIT, Germany)• Santimamiñe VR Cave international award (Archeovirtual, Italy)• San Fermín VR running of the Bulls (Navarra’s Government, Spain)
2010	<ul style="list-style-type: none">• VR training simulator (Iberdrola, Spain)• VirtualRet Product launch



2011-12	<ul style="list-style-type: none"> • First international office in UK • VirtualRehab product launch
2013	<ul style="list-style-type: none"> • Mexico Head Quarter to cover LATAM
2014-15	<ul style="list-style-type: none"> • Egypt Pyramids Digital Twin (Idom, Spain) • Bipolar disorder VR Treatment (King's College London, UK) • Mexico City International Airport digitalization (SECTUR, Mexico)
2016-18	<ul style="list-style-type: none"> • Mindtaker PS4 VR Game • VR Training Simulator (Suez, France) • VR Training simulator (ADIF, Spain) • MR Logistics Application (Guardian Glass, Europe) • AR Maintenance Application (Petronas, Malaysia) • Algeciras Port Digital Twin (Idom, Spain) • Spin-off Evolv Rehabilitation Technologies
2019-21	<ul style="list-style-type: none"> • Canada HQ to cover North America • VIROO product launch • VR Enterprise Solution of the year award winner (AIXR) • Nuclear Energy VR Solution (GEH, US) • VR Training simulator (Ministry of Defense, Spain) • VR training center and simulators (ADIF, Spain) • Most innovative VR Company award winner (AIXR)
2022	<ul style="list-style-type: none"> • Release of VIROO version 2.0 • Disappearance of backpack type equipment and room • Private placement of €4.000.000 • Board approval to list Virtualware on Euronext Access Paris for 2023 • Establish a solid presence in North America setting up an additional office in Washington (United States and Canada)

2.2 Selected financial data

2.2.1 Balance Sheet

Audited Balance Sheet Account for Virtualware 2007, S.A. ended the 31st of December, 2022



CONSOLIDATED BALANCE SHEET AS OF 31st OF DECEMBER 2022 AND 2021

(Expressed in EUR €)

€	2021	2022
NON-CURRENT ASSETS	2,801,750	3,723,203
Intangible Assets	989,234	1,410,187
Development	32,524	-
Patents, licenses, trademarks and other	814,394	1,368,181
Software applications	142,316	42,005
Property, plant and equipment	89,014	92,621
Long-term investments in group companies and associates	-	35,297
Long-term financial investments	130,867	64,367
Equity Instruments	20,213	20,213
Loans to third parties	66,500	-
Other financial assets	44,155	44,155
Assets by deferred tax	1,592,634	2,120,730
CURRENT ASSETS	3,777,032	1,912,633
Inventories	210,241	136,780
Commercial	15,118	113,644
Ongoing products	192,342	22,470
Advances to suppliers	2,781	666
Account Receivables and others	2,757,026	1,203,148
Sales and services receivables	2,277,813	744,323
Personnel	-	-
Other receivables from Public Administrations	479,213	458,825
Short-term investments in group companies and associates	21,610	-
Short-term financial investments	283,434	398,726
Accruals	2,578	1,815
Cash and Equivalents	502,144	172,164
TOTAL ASSETS	6,578,782	5,635,638360
EQUITY	488,404	825,619
Share Capital	409,402	799,624
Capital	158,970	158,970
Reserves	1,702,531	829,372



Reserves in consolidated companies	(408,517)	(532,409)
Reserves in equity accounted companies	(23,700)	(54,903)
Own shares and equity instruments	(18,665)	-
Prior Years' Income (loss)	(578,386)	-
Last Year's Income (Loss)	(422,831)	398,595
Grants, donations and legacies received	67,254	35,227
External partners	11,748	(9,233)
Dividend Distributed	-	-
NON CURRENT LIABILITIES	1,737,349	1,869,559
Long Term Debt	1,720,704	1,196,719
Liabilities by deferred tax	16,645	8,639
Long Term Accruals		664,201
CURRENT LIABILITIES	4,353,029	2,940,658
Short Term Debt	1,502,618	1,040,207
Account Payables and others	2,850,411	1,392,269
Short term suppliers	218,745	114,819
Other Payables	756,655	443,492
Personnel	109,630	114,682
Other liabilities with Public administrations	376,425	457,351
Client Advances	1,388,955	259,762
Short Term Accruals		508,181
TOTAL EQUITY AND LIABILITIES	6,578,782	5,635,835

Source: Virtualware 2007, S.A.

2.2.2 Profit & Loss

Audited Profit and Loss Account for Virtualware 2007, S.A. ended the 31st of December, 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS OF 31st OF DECEMBER 2022 AND 2021

(Expressed in EUR €)

€	2021	2022
Business Total Revenue	2,820,892	3,219,375
Changes in inventories of finished goods and work in progress	(38,517)	(179,332)
Work carried out by the company for its assets	313,672	638,906
Costs of Goods Sold	(1,106,753)	(768,542)
Goods consumed	(20,651)	(146,571)
Cost of raw materials and other consumables used	(681,400)	(185,569)



Work carried out by other companies	(404,701)	(436,402)
Other Operating Revenues	507,430	541,837
Non-core and other current operating revenues	24,714	63,449
Operating grants incorporated into the result for the year	482,716	478,389
Personnel Expenses	(1,962,930)	(2,445,916)
Wages, salaries and similar expenses	(1,596,758)	(2,000,289)
Social charges	(366,171)	(445,626)
Other Operating Expenses	(536,954)	(720,152)
External services	(463,346)	(712,472)
Taxes	(6,570)	(90)
Losses, impairment and variation in provisions for trade operations	(66,282)	-
Other current management expenses	(756)	7,591
Fixed Assets Depreciation and Amortization	(259,195)	(299,200)
Grants to non-financial assets and others allocation	(96,016)	59,533
Impairment losses and gains/losses on disposal of non current assets	27	-
Other Results	-	(18,324)
Operating Income	(358,343)	28,184
Financial Revenues	13	73
Financial Expenses	(86,221)	(77,064)
Variation in fair value of financial instruments	16,597	(43,038)
Exchange Rate Differences	5,123	4,031
Impairment losses and gains/losses on disposal of financial instruments		(39,525)
Income Before Tax	(422,831)	(127,339)
Income Tax	-	525,933
Net Income	(422,831)	398,595

Income Statement (€)	2021	2022
EBITDA	(99,149)	327,384
EBITDA Margin	(4%)	10%
Adjusted EBITDA (Normalized)	(412,820)	(311,567)
Adjusted EBITDA Margin	(14.63%)	(11.91%)
Operating Margin	(12.70%)	0.88%
Net Margin	(14.99%)	12.38%

Source: Virtualware 2007, S.A.



3. COMPANY ACTIVITY

3.1 Business Overview

Founded by its CEO, Unai Extremo, and its CTO, Sergio Barrera, in 2004, Virtualware is considered a European leader in the application of immersive technologies, such as virtual, mixed and augmented reality, based on years in industry and numbers of awards received. Virtualware helps industries to solve real problems, such as training strategic workers in nuclear plants or construction operations and maintenance of railway infrastructures, to solving medical issues on the battlefield, by applying VR technologies.

The company has its head office in Bilbao (Spain), a branch office in Toronto and a network of partners around the world. Its staff of 50 people includes an expert engineering team, who have completed more than 500 projects in more than 33 countries. The company's client portfolio includes, among others, major names such as Alstom, Land Rover Jaguar, Iberdrola, Petronas, Repsol, Bayer or Merck.

The company's flagship product VIROO is a unique solution that allows creating, managing and deploying virtual reality projects without limitations. It has a physical space, the VIROO Room, which allows several people to work at full scale in the same physical and virtual space.

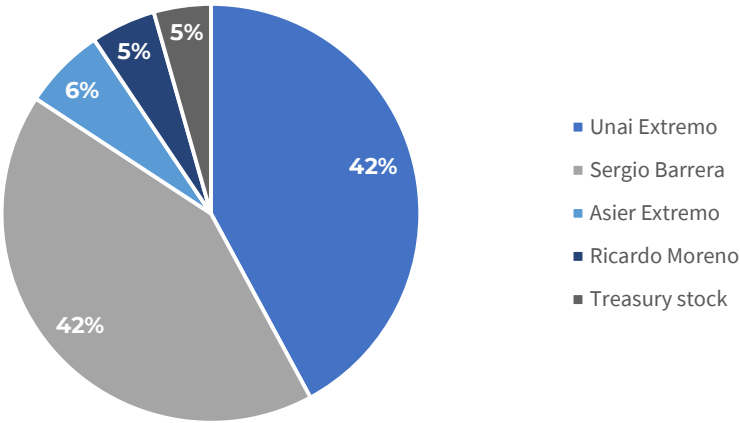
To date, Virtualware has more than 23 VIROO user organizations (industrial companies, universities and vocational training centers) and has deployed 20 VIROO rooms worldwide, in Wilmington and San Jose in the United States, Markham in Canada, Bogota in Colombia, Aguascalientes and Mexico City in Mexico, and others in Spain, including Madrid and the Basque Country.

3.2 Organisation structure

3.2.1 Ownership and shareholding structure

The ownership of Virtualware 2007, S.A. is structured and divided between: Unai Extremo holder of 1,913,000 shares (42.12%), Sergio Barrera holder of 1,913,000 shares (42.12%), Asier Extremo holder of 288,000 shares (6.34%), Ricardo Moreno holder of 228,000 shares (5.02%) and 200,000 shares that belong to treasury stock (4.40%). The total share capital amounts to 158,970 euros and it is divided into 4,542,000 shares.

Virtualware: Shareholding structure



Source: Virtualware 2007, S.A.

Virtualware: Shareholding structure evolution

HOLDER	1. INCORPORATION 18/12/2003		2. BUY 15/12/2005		3. BUY 07/06/2007		4. BUY 29/01/2010		5. BUY 30/11/2011		6. NOM RAISE 23/10/2013
	Nº	NUM	Nº	NUM	Nº	NUM	Nº	NUM	Nº	NUM	
UNAI EXTREMO	976	4,149/5,124			488	489/976	366	1,831/2,196	183	1,465/1,647	
SERGIO BARRERA	976	5,125/6,100			488	977/1,464	366	2,197/2,562	183	1,648/1,830	
ASIER EXTREMO											
MEXICAN PARTNERS											
RICARDO MORENO											
TREASURY STOCK							610	2,563/3,172			
TOTAL		6,100									6,100
NOMINAL VALUE (€)		10									35
SHARE CAPITAL		61,000									213,500



HOLDER	7. ALVARO EXIT ASIER ENTRY 16/07/2015	8. BUY/SELL MEX ENTRY 13/07/2017	9. EXIT MEX PARTNERS 02/08/2021	10. AMORT TREASURY STOCK 21/12/2021	11. BUY NEW PARTNER 11/11/2022	11. BUY TREASURE STOCK 01/02/2023
UNAI EXTREMO						-100 5,025/5,124
SERGIO BARRERA						-100 5,125/5,224
ASIER EXTREMO	288 1/288					
MEXICAN PARTNERS		1,438 289/488 2,563/3,800	-1,438 289/488 2,563/3,800			
RICARDO MORENO					228 3,921/4,188	
TREASURY STOCK	1,464 3,173/4,148 -288 1/288	-1,438 289/488 2,563/3,800	1,438 289/488 2,563/3,800	-1,588 289/488 2,563/3,800 3,801/3,920	-228 3,921/4,188	200
TOTAL NOMINAL VALUE (€) SHARE CAPITAL				-1,558 35 -54,530		

	HOLDER					
	UNAI EXTREMO	SERGIO BARRERA	ASIER EXTREMO	MEXICAN PARTNERS	RICARDO MORENO	TREASURY STOCK
CURRENT SITUATION	1,913,000	1,913,000	288,000	0	228,000	200,000
%	42.12%	42.12%	6.34%	0	5.02%	4.40%

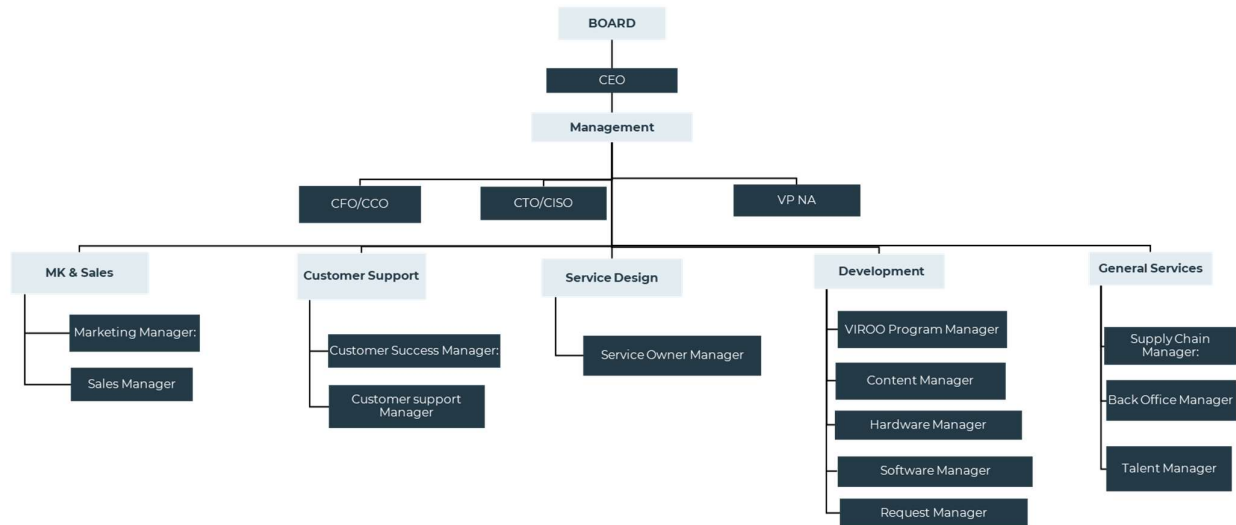
TOTAL	4,543,000
NOMINAL VALUE	0.035
SHARE CAPITAL	158,970

Source: Virtualware 2007, S.A.

3.2.2 Organisational structure

Currently, Virtualware's headcount is 50 people. Fifty technologists and engineers have launched more than 500 projects in over 33 countries, half of which have been with the company for over a decade. Subsequent to a future listing, the company is drafting plans to include a full-fledged Board of Directors, an Audit Committee, a Sustainability Committee, and Nominations and Remunerations Committee.

Virtualware: Organisational Structure



Source: Virtualware 2007, S.A.

Below is a breakdown of all the activities carried out in all the departments that make up the company:

Department	Team/Role	Function Description
MK & Sales	Marketing manager	Communication and development of the "Virtualware" brand and the services offered according to the company's strategy.
	Community manager	Communication with the company's stakeholders.
	Sales team	Team in charge of lead generation and account management for the sale of Virtualware services.
Customer Support	Customer Support team	Team responsible for supporting customers in the development and use of the acquired services in the best possible way.
	Customer Success team	Team in charge of the Premium accounts supporting them and helping the development of Virtualware services in that account.
Service Design	Service Owner team	Responsible for the design and development of the services that the company offers to



		customers (Viroo Services / Content Services / Hardware Services).
Development Services	VIROO Development team	Team in charge of VIROO service development
	3D Modelling & Animator & UX-UI & Design team	Content development team .
	Hardware Engineer team	Development of customer hardware installations as well as the development of the required Devices.
	Software Developer team	Responsible for the software development of the Viroo service as well as the Content and Hardware services.
	Request Management team	Team in charge of organizing the back-log of the development teams.
General Services	Supply Chain	Management of suppliers and subcontractors of group companies and logistics.
	Back Office team	Team in charge of administration, finance and cash flow management of group companies.
	Talent	Talent development and well-being in the group's companies.

Source: Virtualware 2007, S.A.

3.2.3 Employees

Evolution of employees

The Company has been working longer than 20 years now on the edge of the immersive technologies with more than 40 employees, almost half of which have been in the company for more than a decade.

As recorded in the databases of the General Treasury of Social Security in the company VIRTUALWARE 2007, S.A. the average number of workers who have remained on active employment during the stipulated periods is as follows:



Years	2017	2018	2019	2020	2021	2022
Virtualware 2007 S.A.	30	31	33	34	32	43
Evolv Rehabilitation Technologies SL	-	7	4	3	5	5
Fundacion Virtualware Labs	8	7	4	3	3	0
Virtualware Uk Ltd.	1	1	1	-	-	0
Virtualware Canada Inc.	-	-	-	-	-	2
Virtualware Mexico S. de RL de CV	20	15	10	3	-	-
TOTAL	59	61	52	43	40	50

Source: Virtualware 2007, S.A.

At the date of publication of this document, the company structure of Virtualware 2007, S.A. is as follows:

- Virtualware UK Ltd – 100% owned by Virtualware 2007, S.A.
- Virtualware Canada Inc – 100% owned by Virtualware 2007, S.A.
- Evolv Rehabilitation Technologies, S.L. – 84% owned by Virtualware 2007, S.A.
- Hermeneus World, S.L. – 23% owned by Virtualware 2007, S.A.
- Fundación Virtualware Labs, Virtualware Mexico S. de RL de CV and Virtual Impact SAS, currently do not form part of the group.

Following the company's strategy change from a business model based on the development of customized solutions to a Virtual Reality as a Service business model, the company decided to withdraw from Mexico and establish a partnership structure in the region to continue its presence in the market. This allows it to maintain local customers and accounts with an indirect structure.

Heads of Department

- **Management:** Unai Extremo
- **Finance:** Asier Extremo
- **Operations:** Asier Extremo
- **Technology:** Sergio Barrera
- **Marketing:** David Moreno



3.3 Business Description

For almost two decades Virtualware has been developing immersive technologies that generate value, facilitate the creation of new solutions, spur growth and technological innovation. The company has spent 20 years developing VR industrial solutions and plan to spend the next 20 years doing the same thing. Virtualware works with some of the world's largest and most innovative companies and governments in dozens of sectors.

Virtualware has focused its efforts on developing enabling technologies, such as Virtual Reality, to drive innovation throughout the economy and cut across industries towards full convergence and integration. The key driver of the company's success is their permanent VR and AR technology development, with over a 15% yearly investment in it.

Virtualware's business model for the next decade is driven by the success of VIROO that stands over a proprietary technology patented in the United States for 20 years. The company's innovation focus is also reflected in the two companies that Virtualware created and are now part of their assets: Evolv Rehabilitation Technologies S.L. and Hermeneus World S.L..

Virtualware and its flagship product VIROO aims to become the new standard for industry-oriented VR solutions by powering immersive journeys across industries worldwide.

Virtualware's main competitive advantage currently lies in the uniqueness of VIROO as a product:

- VIROO is the only all-in-one Virtual Reality platform on the market today that allows its users to generate multi-user VR content autonomously and deploy it on different devices even in large-scale Virtual Reality rooms.
- VIROO is a product that is being adopted by both large companies and SMEs thanks to its low entry barriers supported by subscription plans in a VR as a Service (VRAAS) model.
- VIROO has a clear business, industrial focus and is being used by different companies for many purposes: training, engineering, marketing, sales or research. The multi-purpose character of VIROO® is a clear differentiator compared to other products.

3.3.1 VIROO



VIROO is a VR-as-a-service (VRAAS) platform that makes VR accessible to companies of all sizes and industries. A digital all-in-one solution that allows the development and deployment of multi-user Virtual Reality applications remotely. The platform aims to become the standard for developing multi-user VR applications worldwide, allowing construction, handling, and deploying immersive



projects without constraints. It is the consequence of years of research, analysis and innovation thinking about the wider VR market and the real capabilities of the industry.

Acknowledged as the VR Enterprise Solution of the year in 2019, the platform is the center of a growing community of creators working independently to develop and deploy VR without limitations. VIROO is a tool offered to organizations as a service through pay-per-use business model. A service through which Virtualware establishes a strong relationship with organizations to support them on their way to becoming better, through VIROO.

One of the most outstanding features of VIROO is the possibility of generating collaborative and remote work sessions, thus fully exploiting the capacity of Virtual Reality technology. Users can work together in the same VR environment regardless of their physical location in large-scale VR rooms or in a single-user computers with or without Virtual Reality headset.

3.3.2 VIROO ROOM

VIROO incorporates its technological development with a physical space, the VIROO Room, allowing several teams to work at full scale in the same material and virtual area. In addition, tracking systems are necessary to enjoy Virtual Reality experiences. Thus, the VIROO Room incorporates a complete tracking system allowing the collaboration of numerous users in the same physical space, whether large or small, safely. The tracking system uses visible and infrared spectrum markers that are placed on the ceiling. Users wear a device that is able to see these markers and calculate the exact position and orientation in order to generate an accurate virtual reality image from their position.

With VIROO Room companies and institutions can reproduce complex live environments in full-scale virtual reality scenarios allowing multi-user 1:1 interaction with absolute accuracy and freedom of movement, a critical advancement for industry VR solution. For example, engineering teams can perform design reviews of their full-scale prototypes, helping to detect possible errors at an early stage. The United States Patent and Trademark Office recently granted Virtualware a patent for its tracking system, valid for 20 years.

3.3.3 VIROO STUDIO

In parallel, VIROO Studio is VIROO's powerful toolset that allows users to create and publish multi-user and remote collaboration-ready VR solutions using the Unity Engine Editor – the world-leading real-time 3D platform. Facilitating and assisting content generation and above all establishing a standardization mechanism for the content generated by the different areas of an organization is key. This way we can ensure scalability not only in terms of deployment of specific content but also scalability in terms of growth in self-generated.



Virtualware conceives VIROO® as the next leap in the Virtual Reality industry, aspiring to democratize VR technology in the enterprise by unlocking VR content creation for all. We expect hundreds of new users will start developing complex, affordable, and meaningful immersive content that will change the world for the better.

3.3.4 Areas of application

Virtualware solves problems within the realm of the real economy and, improves the way corporations tackle industrial challenges. Over the next 5 years they expect to disrupt every industry by tapping them into the virtual universe to solve problems in the real one in relentless pursuit of a more sustainable future.

The various VR applications of Virtualware activities serve key industries such as: Energy, Automotive, Defense, Aerospace, Healthcare, Transportation, Manufacturing and Education.

These industrial solutions are structured as follows:

Training and Simulation

Enhance skills, confidence and performance by improve your workforce capabilities through high-fidelity lifelike VR simulators

Engineering and Prototype

Accelerate PLM (Product Lifecycle Management) by clarifying complex data and ideas. Get decentralized teams on the same page faster and solve problems in advance. Identify obstacles early, and prototype and test solutions using virtual replicas.

Marketing and Sales

Speed up the sales cycle by delivering amazing product experiences in-person or remote and stay top of mind with bold immersive demonstrations, showrooms, and more. Customers can create VR content about their product using VIROO Studio, and through VIROO show it to their customer's potential in a VIROO Room (In-person) or through a remote work session using the VIROO Single Player.

Research and Innovation

Conduct pioneering research by empowering staff with fully customizable VR labs. The VR lab concept refers to a physical space where you have a VIROO Room tailored to your needs and VIROO as a platform to create and deploy your content. Thanks to VIROO Studio, Research and innovation teams can prototype and generate VR content quickly in order to develop their research.

Education and Learning

Forge the full spectrum of virtual education. Learn, Teach and Inspire either in-person and remote.



3.3.5 Virtualware Spin-Offs

The company invests a significant percentage of its revenue in innovation, and it has done so in the past 18 years. As a result of this continued innovation work, Virtualware has created different businesses that are now companies with strong potential and they are part of Virtualware's assets.



Virtualware owns 23% of Hermeneus World. Thanks to its powerful development and technical specifications, Hermeneus delivers, a versatile, fully customizable, “ready for use” product, capable to adapt to the specific characteristics and needs of each client. Hermeneus experience combined with its digital market software allows them to offer both advice and all the necessary technological tools to face the strategic process of digital transformation of local commerce.

The solution provides a set of tools to successfully meet the challenges of digital transformation such as order management, payment and delivery solutions, stock, KPIs, with two tools:

- Web Developer Tool: Hermeneus World Digital Markets allow you to create unlimited websites quickly, securely and easily. Modernise business network and boost business by offering technological tools at an affordable cost for clients.
- Marketplace: All generated businesses and catalogues are automatically added to the client's marketplace, perfectly organised and categorised, reflecting the combined offer in one place.



Virtualware owns a majority controlling stake in Evolv (84%), a Digital Health and medical device manufacturer that specializes in developing rehabilitation solutions based on immersive technologies.

Founded in 2011 after an idea by Unai Extreño, Evolv proves that VR technologies can be used to improve medical conditions and the quality of living of patients. The company creates solutions for rehabilitation using the latest virtual reality, motion capture, and gaming technologies. Its products are available through an international network of distributors and has become a real

example of the potential Virtualware has in developing VR solutions to solve complex industrial companies.

EvolvRehab is its pioneering clinically validated CEUKCA marked software and hardware platform which augments traditional therapy services and improves user motivation and adherence. Evolv uses Virtual Reality, markerless motion capture and computer vision technologies combined with gamification to make rehabilitation fun and engaging which promotes greater therapeutic activity and improved patient outcomes. It directly resolves the issue of providing access to specialized rehabilitation care and makes it available outside of traditional hospital settings.

EvolvRehab is being employed to treat persons of all ages and levels of disability and for a wide variety of conditions including: Stroke, Parkinson, Sclerosis, Dystrophies, Spinal cord injuries, Cerebral Palsy and Traumatic brain injuries.

3.3.6 Key Relevant Projects

Virtualware focuses on developing VR solutions that can help complex industries solve real problems such as training strategic workers in nuclear plants or construction operations and maintenance of railway infrastructures, to providing solutions to medical issues on the battlefield.



HITACHI

GE Hitachi Nuclear Energy

GE Hitachi Nuclear energy, world-leading provider of advanced reactors and nuclear services, has tapped into VIROO to create their Nuclear Virtual Reality Solution tool to go well beyond training and to strengthen design decisions and process improvements, particularly in the development and deployment of small modular reactors, which are disrupting the nuclear industry due to lower construction and operating costs.



ADIF, Spanish Railway Infrastructure Manager

ADIF, one of the largest European railway infrastructure managers, is ensuring a smooth generational transition by investing in effective training with VR technology. This considerable shift to digital will mark the beginning of a challenging yet exciting transition in which VIROO plays a pivotal role to protect, pass and enhance the operational knowledge of a vital part of Spain's critical logistics and transportation infrastructure.



Spanish Military Health School ! Spanish Ministry of Defense

The Spanish Military Health School is implementing VIROO to address the challenges of training army units in medical protocols for chemical, biological, radiological, and nuclear scenarios, enabling teams to assess and improve performance in various areas such as leadership, teamwork, communication skills, and decision-making proficiency in complex scenarios and extreme stress situations.

3.3.7 Values

The following core values are the essential elements that everyone in the organization must take care of and uphold, above all else. At Virtualware, they have established three essential values that the Company is committed to caring for and maintaining, and from which they develop all plans and organizational models. They are the pillars that mark the strategic, organizational, and operational decisions of the Company.

Innovation

Virtualware understands innovation as a value that requires us to deploy strategies and organizational models that promote creativity, transparency, tolerance to failure, and serene coexistence with continuous change.

Sustainability

Since inception, the Company base their goals on the Sustainable Development Goals launched by the UNGP. Equality, diversity, improving education, improving working conditions, reducing differences, or reducing environmental impact, are some of the commitments they have made and to which are committed as an organization to move forward as a society.

Trust

Virtualware is committed to taking care of all the necessary aspects to generate and maintain this trust with the people who are part of the organization and the stakeholders.



Internationalisation

Virtualware is an international company, a positioning very entrenched in the Basque Country culture where the company was born, in the industrial heart of Spain, near France and directly connected to the United Kingdom. The international aspirations - for which they are planning this listing - are very much in the strategic mindset of the company.

Virtualware started its internationalization process very early on. The company created its first international subsidiary in 2011 in the UK and since then they have established subsidiaries in Mexico, Chile, Colombia and Canada. In the past 18 years, the Company has worked for over 500 clients in 33 countries, which has defined their DNA.

At present, Virtualware operates from its Bilbao Headquarters, in Spain, the company North American office in Hamilton, Canada, and partner companies worldwide.

Furthermore, the links between Spain and Latin America ease Virtualware's entry into that market in terms of language and culture. They are already present through VIROO rooms in Colombia, México, and El Salvador, have projects in Perú and Chile, and extensive projects for a reason. Latin America is home to thousands of relevant companies, and their Spanish origin gives them significant market advantages over the competition.

3.3.8 Awards

Virtualware is Europe's leading provider of Virtual Reality (VR) solutions for industrial sectors and has been recognized as the world's VR innovator. The Company has been a pioneer in the field of Virtual Reality integration and has focused to invest in innovation since an early-stage. These efforts and initiatives have been rewarded with several awards which are listed below:

2009 and 2010 | European Seal of e-Excellence Platinum Award

The European Seal of e-Excellence is Europe-wide Award honoring leading European ICT and digital media companies with an excellent track record in innovative marketing of digital products and services. Awarded annually by the European Multimedia Forum (EMF) and its partner associations, the European Seal of e-Excellence is widely known for promoting companies in the digital field with Innovative products and services, and Excellent marketing practices to promote them. Virtualware was awarded the Platinum Seal of e-Excellence for two consecutive years in 2009 and 2010.

2011 | School 2.0 Seal of Excellence

The School 2.0 Seal of Excellence is a public recognition awarded by the Spanish Ministry of education that distinguish the products and services and the links between companies and public



or private entities to promote the use of ICT in the classroom and to advance the integration of these tools in education in order to improve its quality. Virtualware was awarded The School 2.0 Seal of Excellence in 2011.

2014 | Medical Device Manufacturer Certificate

The Medical Device Manufacturer certificate issued by The Spanish Agency for Medicines and Medical Devices (AEMPS), a body under the Spanish Ministry of Health, ensures the free movement of medical devices within the EU territory, while providing a high level of protection, so that the devices in circulation do not present risks to the health or safety of patients, users or third parties and achieve the performance intended by the manufacturer, when used as intended. Since 2014 Virtualware is certified Medical Device Manufacturer, which enables the company to certify, and CE mark, Class 1 software Medical Applications, according to the EU regulations.

2016 and 2017 | 4x ASPID Pharmaceutical and Healthcare Awards

The ASPID Awards for Communication and Advertising in Ibero-American Health and Pharmacy are the awards for excellence in the Pharmaceutical Industry in Spain and Latin America. For the past 20 consecutive years, the ASPID awards have been the benchmark of both the Pharmaceutical Industry and the Professionals of Advertising and Communication specialized in Healthcare in both Europe and Latin America. Organized by PMFarma, the leading media company for the pharmaceutical industry in Spain and Latin America, they recognize creative advertising for both pharmaceutical products and health services communication.

The EM One Hand (VirtualRehab Hands) application, developed by Virtualware and based on video game technology and Leap Motion's motion capture system, was awarded by ASPID in the field of patient software, e-health and telemedicine.

The project presented under the name of EM One Hand and developed together with Sanofi Genzyme, the Sanofi unit focused on the development of solutions for diseases that are difficult to diagnose and treat, received the scientific endorsement of the Spanish Society of Neurorehabilitation, the category in which it was awarded.

EM One Hand is an application based on the technology used in video games and the motion capture system, for the physical neurorehabilitation of multiple sclerosis patients, through fine motor skills of the fingers. The aim of the project was to be able to offer, in addition to the most innovative products, new services that improve the quality of life of the more than 47,000 Spaniards who suffer from this disease. This award recognised Virtualware and Sanofi Genzyme's commitment to supporting the Multiple Sclerosis patient community.

2019 | VR Enterprise Solution of the Year Award – VIROO Immersive Room



The VR Awards is at the centre of recognition and celebration of outstanding achievement in Virtual Reality. Every year, this prestigious event brings the world's most influential names in immersive technology together. Organised and produced by The Academy of International Extended Reality (AIXR), the third annual VR Awards celebrated the very best in virtual reality in 2019. The categories include VR Hardware of the Year, VR Healthcare of the Year and VR Enterprise Solution of the Year among others.

Virtualware was named finalist in two categories, it was awarded with the Immersive Room solution as VR Enterprise Solution of the Year. A category which specifically rewards projects that satisfy the needs of an organisation rather than individual users. Such organisations include corporations, universities and governments. Considered as the Next Breakthrough in Enterprise VR, Virtualware Immersive Room is a professional, affordable and simple solution that allows companies to review their engineering designs, train their workers in large spaces, where multiple people can interact with total freedom of movement, among other things. A boundless solution designed with the most advanced virtual reality technology, replacing the obsolete and expensive CAVEs.

2020 | LAVAL Virtual Awards – VIROO Immersive Room

Laval Virtual, is the Europe's first Virtual Reality and Augmented Reality exhibition, throughout its 20 years of existence. It has become the indispensable prestigious international event about XR taking place every year in France. It unites a community of 5000 + professionals, bringing together in one place, all major players in the field of VR/AR: researchers, startups, large groups, investors, artists and users. Laval Virtual honours virtual reality and augmented reality projects that help solve industrial, commercial issues. or pioneering uses through the Laval Virtual Award. Virtualware was selected to be a finalist in the VR/AR for Safety and Improvement of Work Environment category for these awards for the Immersive Room Solution.

2021 | VR Enterprise Solution of the Year Award – VIROO platform

Acknowledged as the world's Innovative VR Company at the edition of the VR Awards, held on November 18th 2021, in San Francisco and London. The Awards adds to the slew of honors already won by Virtualware, notably in developing a new Virtual Reality framework to be adopted by industrial-oriented content creators and large corporations.

The Academy specially recognized Virtualware for building and deploying its patented VIROO platform, which the firm has been spearheading over the last three years as the new standard for creating, managing and, deploying VR content that can solve complex problems.

2022 | E-nnova Health Award



Organized by Diario Médico and Correo Farmacéutico, two of Spain's most important specialized publications in the field of healthcare, these awards recognize the work of institutions, companies, and professionals whose digital initiatives have added value, contributed to the sustainability of the system and improved the patient's life throughout 2022.

In 2022 Virtualware and The Spanish Military School of Health (EMISAN), received the E-nnova Health Award in the Digital Transformation category, in recognition of the application of new technologies to improve the system.

2022 | ISO 27001 Certification

In 2022 Virtualware and its proprietary VR platform VIROO was awarded International Organization for Standardization ISO 27001 Certification, as part of a continuous effort to uphold the privacy and security of its customers and business partners worldwide.

The ISO 27001 accreditation builds on Virtualware's attainment of the ISO 9001:2015 Quality Management Systems standard in 2007. The ISO 9001:2015 certification sets the standard for a quality management system (QMS), achieved when an organization exhibits its ability to consistently provide products and services that meet customer and regulatory requirements.

Both certificates are a recognition of the commitment from across the organization to establish ways of working that bring value to the customers and reflect a conscious decision by the company to formalize a culture that has always existed within the business.

2022 | Brandon Hall Group Excellence in Technology Gold award

The Brandon Hall Group Excellence in Technology Awards are the largest and longest running awards program in Human Capital Management and recognize the best organizations and individuals for their exceptional use of technology to improve business processes and outcomes. The awards are highly competitive, with entries coming from all over the world.

In 2022 Virtualware won a coveted Gold award for excellence in the "Best Advance in Augmented and Virtual Reality" category to the entry "Multiuser Training Applications Made Simple With VIROO".

2022 | Unity Government and Aerospace Creator Award

Issued by Unity, the leading real-time 3D platform, the Unity Government and Aerospace Creator Awards recognizes the successes of their customers and partners.

Hosted at I/ITSEC 2022, the main industry Training, Simulation and Education Conference, Virtualware was awarded in "Best medical training application in Europe" category for the SIMUR



is VR training simulator deployed in VIROO the Spanish Military Health School is implementing to address the challenges of training army units in medical protocols.

3.4 Business model

3.4.1 Key activities

To encompass the full potential of the VIROO technology, Virtualware has implemented four lines of business:

VIROO Platform (Subscription-based plans, Virtual Reality as a Service)

VIROO is marketed through platform subscription services with annual and recurring payments. The plans include access to the platform and the Academy and HelpDesk systems.

- Academy: Portal with training content to help users.
- HelpDesk: Ticketing system for user support and problem solving.

Subscription plans signed to date with entities total more than €1.8 million for the year 2022 and subsequent years.

VIROO Platform Services (Specific deployment needs)

The Company offers VIROO Platform Services (Specific deployment needs). VIROO is a platform deployed in a private cloud or corporate environment. Thus, Virtualware advises and supports large companies as a one-stop-VR-shop offering customization and adaptation of VIROO for user entities with corporate plans. Some kinds of deployment needs addressed in this plan is:

- Deployment of the VIROO platform on your own cloud infrastructure.
- Connecting the VIROO platform to corporate identity systems.
- Integration of VIROO platform usage data into corporate LMS (Learning Management System) systems.

VIROO Applications and Content (Custom development for large clients)

Virtualware provides content development services for VIROO user entities:

- Through customized development contracts with defined scopes.
- Through annualized development contracts by volume of hours dedicated in flat-rate format.



VIROO Room Services (Installation and commissioning)

One of the differentiating features of VIROO is the possibility of deploying Virtual Reality projects in large rooms for multiple users. For this purpose, Virtualware has a patent in the USA and Europe for the development of rooms with these characteristics.

All four business lines are expected to grow at a high yearly rate in the next five years, fueled by the integration of VR in corporate solutions and the assimilation of the technology by the broader corporate public. However, the company's main objective for the following years is to primarily focus on enhancing the VIROO VR as a Service business line, as it is the one with the largest gross margins, generating recurring revenues from its subscription plans, which at the same time depend on the number of VIROO users and the revenue per each one of them.

3.4.2 Revenue stream

The company's main objective is to generate recurring revenues from its subscription plans, which at the same time depend on the number of VIROO users and the revenue per each one of them, provided they maintain a business model basic in services looking for recurring revenues, and not switching to other revenue allocation strategies.

Company revenues were € 3.3M in 2022 (€9.1M in committed sales for 2023) and expected to grow by 52.3% CAGR in the next years. The revenue model is developed around VIROO's product uses with specific approaches designed to fit different requirements.

The product VIROO is offered to organizations as a service through pay-per-use business model. A service by which Virtualware, through VIROO, builds close relationships with organizations to assist them in improving. Furthermore, the Company generates revenues through the following mediums:

- **Subscription-based plans, Virtual Reality as a Service (VRaaS)**
VIROO is marketed through platform subscription services with annual and recurring payments. The plans include access to the platform and the Academy and HelpDesk systems. Subscription plans signed to date with entities total more than €1.8 million for the year 2022 and subsequent years.
- **Specific deployment needs**
VIROO is a platform deployed in a private cloud or corporate environment. Thus, Virtualware advises and supports large companies as a one-stop-VR-shop offering customization and adaptation of VIROO for user entities with corporate plans.



- **Custom development for large clients**

Virtualware provides content development services for VIROO user entities through customized contracts with defined scopes and annualized development contracts by volume of hours dedicated in Flat rate format.

- **Installation and commissioning**

Provision of equipment necessary for setting up Virtual Reality rooms and installation and commissioning services.

3.4.3 Clients

Virtualware offers cutting-edge solutions to various Fortune 500 companies within the Energy, Automotive, Pharmaceutical, Defence, Healthcare and Education field. These include GE Hitachi (United States), Petronas (Malaysia), Iberdrola (Spain), Repsol (Spain), ArcelorMittal (Spain), Danone (Netherlands), Johnson & Johnson (United States), Bayer (Spain), and Merck (Spain). Global powerhouses such as Guardian Glass (Spain), Biogen (United States), Alstom (France), Land Rover Jaguar (United Kingdom), Faurecia and Suez (France), and institutions such as ADIF (Spain), the Spanish Ministry of Defense (Spain), King's College London (United Kingdom) or Kessler Foundation (United States) also count on Virtualware as a critical technology solutions provider.





3.4.4 Partners and Alliances

Virtualware features alliances with global names such as NATO (Member of a NATO working group), the European Space Agency (Member), the VRAR Association, the Society for Simulation in Healthcare and the National Center of Simulation. In the tech field, they work hand in hand with Microsoft (Business Partner), Siemens (JT Open Framework member), Amazon (Amazon Web Services Partner), Pico (Business Partner), Vive (Business Partner), Meta (Business Partner), HP (Business Partner), and Unity (Part of the government advisory board), among others.





Virtualware looks forward to building alliances that will help advance their sustainability. From local institutions with which the company collaborates to disseminate the SDGs to international institutions with which they want to work to advance the goals they have defined as priorities in their sustainability strategy. Specifically, at the local level, Virtualware is working with the Basque Government and its sustainability area. At the international level they are working with BCorp and in Spain with BLab Spain.

3.5 Strategy

3.5.1 VIROO and Sustainability

Virtualware has designed an aggressive expansion plan to leverage its innovations and current market position to build a strong presence in the North American market, where it expects to become a top player in the industry by year 2025.

Subsequently, Virtualware has developed a strategic plan for years 2021-2023, which aims to contribute to creating a sustainable future through strong commitment to the sustainable development goals (SDGs) by accelerating the adoption of Virtual Reality.

The Company intends to reconnect with their essence and passion which is Virtual Reality, and they do it by putting all the focus in the coming years in the development and scale of VIROO. The objective is to have 50 organizations using VIROO in their processes by 2023. These organizations will be able to improve their competitiveness and sustainability by adopting this tool that simplifies, accelerates, and enhances the use of Virtual Reality in their processes.

To follow this path, Virtualware is considering sustainability and the Sustainable Development Goals (UN 2030 Agenda) as a frame of reference to measure the degree of contribution of their activity to generate a better world. Virtualware's commitment to sustainability will be a fundamental pillar of their strategy and strategic objectives. The Company intends to analyze the impact of their activity, and will carry out actions as they have been doing in recent years to advance the SDGs. Additionally, they will design, implement solutions, and support their customers with them to be more sustainable. To achieve this, they have articulated four lines of action on which to work in order to make their contribution towards achieving the SDGs proposed for the year 2030:

Sustainable Innovation

Innovation is part of Virtualware's DNA, it is one of the company's values, and their culture is based on those principles and practices needed to develop constant innovation. The Company strives to influence the improvement of the sustainability of the industry and educational institutions. Therefore, it is key to creating innovative and responsible services and solutions in terms of design and customer application.



Sustainable Environment

The Company prioritizes the actions necessary to minimize the environmental impact of Virtualware's activities, processes and developments.

Sustainable People

Virtualware is aware that people are their main asset and the key element that allows the Company to be competitive and sustainable. They intend to make Virtualware a place that will enable their employees to develop professionally and personally, sharing values, ambitions and purpose. For this, they work hard to ensure a flexible and suitable working environment for all people, with diversity and equality as a value in all their processes.

Sustainable Alliances

Commitment to maintain and generate new alliances and partnerships with other institutions, companies, and organizations that will enable Virtualware to promote and expand their capacity to impact on the field of the SDGs.

3.5.2 Global Partnership Program

Alliances are a fundamental component for the achievement of the strategic plan and the launch of a global partner program is one of the initiatives that will have the greatest impact on VIROO's growth and therefore on achieving the objectives established.

The Company launched a program for companies developing custom VR business solutions that want to accelerate their growth. VIROO's global partner program will enable its affiliates to:

- Differentiate themselves through a unique product
- Build trusted relationships with their customers by providing services
- Accelerate their growth and sustainability with recurring revenue generation

In summary, Virtualware is committed to invest in R+D+I and development focused on VIROO, generating strategic alliances and creating a global partner network, providing an excellent service to generate success in the client entities enhance and reinforce the VIROO brand in Europe and North America.

3.5.3 Listing on Euronext Access Paris



Part of Virtualware's strategy relies upon a future listing in a stock market of reference for technological companies. By listing in Euronext Access, in Paris, Europe's largest stock market - and OTC Markets, in the OTCQX Best Market segment, the Company expects to achieve higher levels of internationalization and visibility while allowing new partners to join the corporation in the next years to come. According to European market rules, the company will do that by way of a technical admission on Euronext. Then, three to six months after its public listing in Euronext, it will start the admission process to cross-list in OTCQX Best Market and upgrade to Euronext Growth when appropriate.

In conclusion, the company has chosen to go public (as opposed to other mechanisms) as it will allow the company to:

- Strengthen its global position, and increase its profile, notoriety and trustworthiness before the market.
- Develop new tools for the retention and acquisition of key talent through equity and/or profit participation.
- Enable solid financing mechanisms that will allow the company to raise the necessary resources to finance the future growth of the company.
- To provide a liquidity mechanism that can benefit the Company's shareholders while expanding its shareholder base.

3.5.4 Strategy for growth in number of users

The company has identified those sectors and industries where VIROO can add the most value. The main uses of Virtual Reality technology are as follows:

- Training, coaching and education
- Design and design reviews, rapid prototyping

Therefore, Virtualware has identified the following sectors as priorities in its USER acquisition strategy:

- Universities and vocational training centers
- Energy
- Aeronautics and automotive
- Military
- Healthcare



In all these sectors, Virtualware already has references and customers of a certain size and relevant success stories.

Regarding the size of potential customers, Virtualware believes that VIROO is a product that has a high potential not only in large companies, but also in medium or small companies with a high innovation capacity. VIROO's fully scalable business model allows it to adapt to small companies, as well as large corporations that require corporate licenses and advanced service and deployment models. Targeting small and medium-sized companies will help the company capture a high number of customers. In addition, doing it through their partner channel will allow them to grow fast. On the other hand, the cost reduction associated with the hardware equipment needed to set up a room will allow more companies to invest in having one. The revenue of the VIROO platform increases significantly when the customer has a room, so that will also help to increase Virtualware's revenue.

One of the great advantages of VIROO is the ability to enter the market where it wants to acquire a position, with minimal cost and grow gradually in terms of revenue. Virtualware has managed to create a product with a very low barrier to entry. Thanks to this low barrier to entry, they can generate aggressive strategies to introduce the product to a large number of small and medium-sized companies and work on revenue growth through the use of the system by the entities.

In relation to the strategy involved with increasing recurring revenues, Virtualware is working to significantly reduce the investment costs necessary to have VIROO® rooms, reaching agreements with international manufacturers, which will allow to increase the number of rooms available to VIROO® users, thus increasing recurring revenue.

3.5.5 Go-to-Market Strategy

The company's strategy is designed on a three-layer scheme in order to respond to client specific needs and requirements. Everything through the cloud-based platform VIROO.

- **Platform and Environment (VIROO Platform and Platform Services)**
 - Environment for the creation of VR content, open to third-party content, and the provision of related services such as advisory, implementation or customization.
 - Low entry barriers given its availability (plug&play design) and low entry cost model.
 - Low implementation costs with the possibility of executing both through VR devices or traditional hardware.
 - Target Customer: Large Cap companies and innovative SMEs.



- **Development and Content (VIROO Applications and Content and VIROO Room Services)**
 - Customized developments and content deployment on VIROO platform according to specific needs from large clients.
 - Hour-based developments to guarantee.
 - VIROO rooms installations for specific on-site hardware deployments.
 - Target Customer: Large Cap companies in process of adopting VR as a tool for solving industrial challenges.
- **Built-to-suit solutions (VIROO Platform)**
 - Tailor-made specific VR solutions either through VIROO platform or outside of it.
 - Value-added services hired by specific and strategic customers.
 - Target Customer: Large Cap companies with specific VR solutions requirements.

3.6 Market

Market Size

The global virtual reality market size was valued at USD 11.64 billion in 2021. In 2022, it is projected to grow by USD 16.67 billion and expand at a compound annual growth rate (CAGR) of 45.2% by 2029 (*Fortune Business Insights*). This growth will be driven by the adoption of key technology trends such as: Artificial Intelligence, Cloud, 5G, Metaverse and Remote work enterprise adoption.

Virtual Reality (VR) is a digitally produced experience that simulates a three-dimensional environment in the real world. The technology provides viewers with an immersive experience using VR gadgets such as gloves, headsets or glasses, and bodysuits. Virtual Reality has revolutionized the gaming and entertainment sectors by allowing users to immerse themselves in a highly simulated environment. Furthermore, the growing use of this technology in instructional training, such as for teaching engineers, mechanics, pilots, field workers, defense warriors, and technicians in the manufacturing and oil and gas sectors, is propelling the market growth.

The enterprise Virtual Reality market may displace and surpass the consumer market over the next 3 years, thanks to the increased penetration of this technology in the industry. The COVID 19 pandemic has been an accelerating factor in this area accelerating the adoption of this technology in areas such as training and coaching, collaboration, data visualization or user experience.

Apart from educational and training purposes, virtual reality is widely adopted for various other applications. For instance, the technology allows engineers to experiment with a vehicle's design and construction at the concept stage before beginning on costly prototypes in the automobile industry. With VR exposure therapy, the technology is also used for treating people with mental health issues.



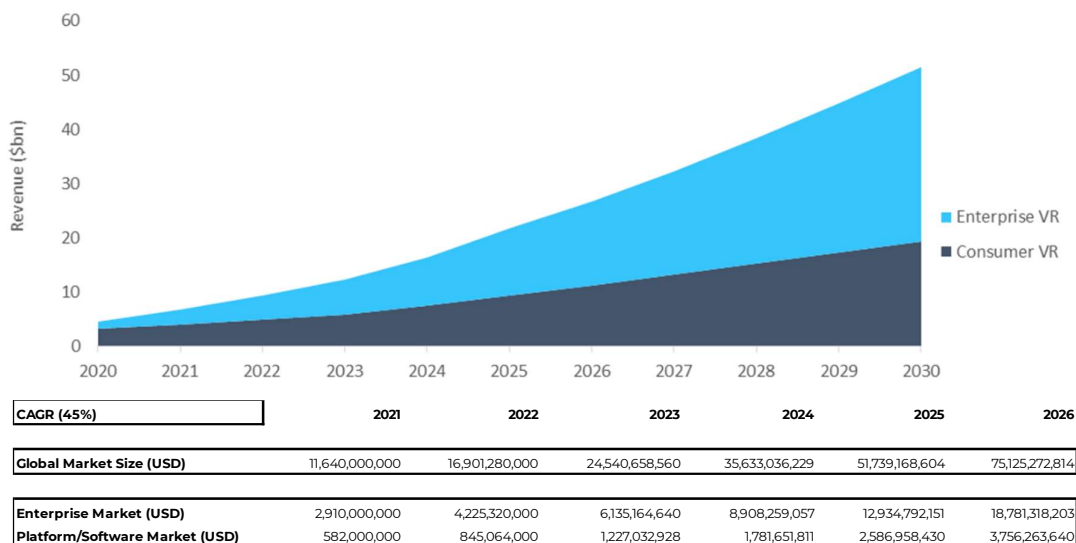
The head-mounted display (HMD) device segment accounted for the largest revenue share of over 60.0% in 2021 and is expected to dominate the market from 2022 to 2030 (*Grand View Research*). The growing importance of VR headsets in commercial and consumer applications is propelling their demand in the market. The segment growth is fueled by the diversity and flexibility of HMDs, such as hybrid, tethered, and self-contained HMDs. These devices are used to provide training in various industries, including military, aerospace, engineering, research, and medicine, and illustrate a wide range of use cases using interactive virtual pictures.

The gesture-tracking device (GTD) segment is projected to register the fastest CAGR of 17.4% over the forecast period (*Grand View Research*). This growth can be attributed to a significant transition in demand from standard gesture tracking to visual gesture tracking as visual gesture recognition is a novel and rapidly increasing technology that allows for more immersive and natural human-computer interaction. Different types of GTD VR hardware include sensors, processors, VR projectors, large-screen displays, and multiple projection systems. Moreover, several firms are attempting to improve the quality of processors and sensors used in VR systems to provide a more immersive experience to viewers.

Enterprise VR segment

As far as the Enterprise market is concerned, the segment in which Virtualware is positioned is VR Software and Applications, which accounts for about 20% of the total projections. Thus, taking into account the data obtained in the study published by the *Global Data Thematic Research on Virtual Reality Trends - November 2022*, the following data may be used to estimate the potential worldwide VR market for the company Virtualware:

Global VR revenue by end user, 2020 to 2030



Source: Global Data Thematic Research

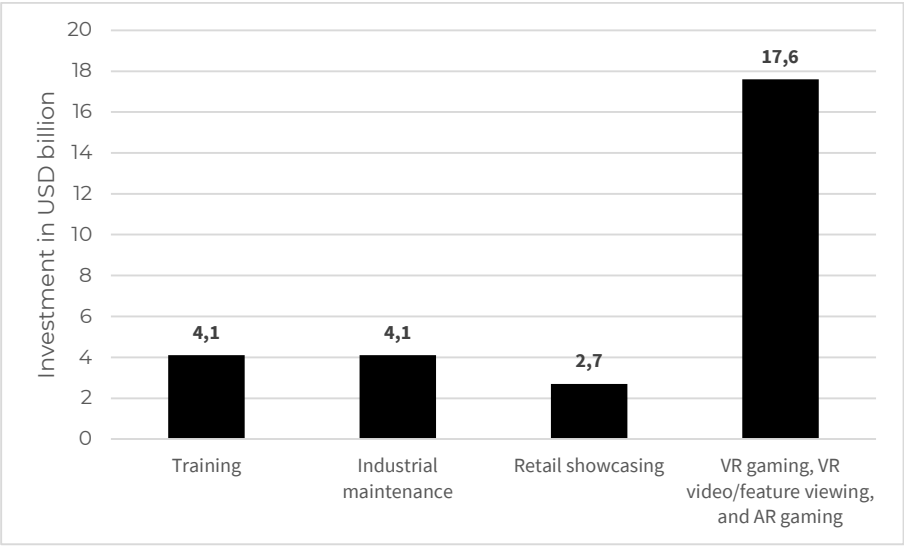


The appearance and commitment of large technology companies to the Metaverse, beyond the hype and the high generation of expectations, is helping to accelerate the technological development necessary to further increase the adoption of Virtual Reality technology. Companies such as Nvidia, Qualcomm or Microsoft are investing large amounts of money to develop Cloud technologies, processing and graphics rendering that will allow massive scaling of the deployment of Virtual Reality technology.

Investment

The commercial use cases for augmented and virtual reality (AR/VR) that are expected to receive the largest investment in 2024 are training and industrial maintenance with USD 4.1 billion forecast to be invested in both fields. VR gaming, VR video/feature viewing, and AR gaming make up the three largest consumer use cases for augmented and virtual reality (AR/VR), with USD 17.6 billion expected to be spent in 2024.

Expected investment in augmented and virtual reality technology worldwide in 2024



Source: Statista

According to a study by IDC Research Spain, Spanish companies will spend more than 59,000 million euros on technology by the end of 2022. In addition to digitalisation, there are other trends that are motivating companies to invest in technology, such as sustainability and hyper-intelligence, according to the aforementioned report. During the pandemic, many companies



noticed the need to have a stronger digital system, so they have decided to transform their businesses, adapting them technologically.

With a growing industry in this sector there are already studies, such as one by Citi based on figures provided by the International Monetary Fund (IMF), that suggest that over the course of the next decade this virtual metaverse environment could generate up to 10 % of global GDP. This will be between \$8 trillion and \$13 trillion, with both virtual reality and augmented reality expected to see growth in digital spending of 30-40% over the next decade.

Lastly, a report published by EAE Business School – Virtual Reality and Augmented Reality, notes that the sectors with the greatest potential for using augmented and virtual reality will receive a forecast investment of €3.6 billion for both training and industrial maintenance. However, the sector that will benefit most at a business level is health, as "it allows advances in the detection of some types of diseases, training simulations for doctors, surgical assistance and cancer studies in 3D.

Virtual Reality Market: Growth Rate by Region (2021-2030)

Asia Pacific accounted for the largest revenue share of over 40.0% in 2021, which can be attributed to the growing improvements in VR technology. The VR market witnessed significant growth in China as the country is a major distributor of HMDs and other hardware related to VR. Technological advancements are also aiding in the market's expansion in Southeast Asian countries. In 2019, Japan introduced commercial 5G services, prompting telecom companies to use strategic ingenuity to offer Augmented Reality (AR)/virtual reality viewing platforms that take advantage of 5G connectivity. Promising initiatives by the government and other related bodies, such as funds and investments to help VR enterprises, are also encouraging the implementation of VR technology in the region.

The market growth in North America can be attributed to the growing market revenue in the U.S. The U.S. has a wide presence of technologically friendly firms, such as Apple, Inc.; Microsoft; Magic Leap; and Google LLC; and carries out extensive research activities in the field of VR. Moreover, the U.S. government is promoting market expansion by offering virtual public health veterinary training courses. The market in South America is expected to grow steadily owing to the increased internet adoption and advancements in immersive technology.

Europe is estimated to emerge as the fastest-growing regional market with a CAGR of 16.6% over the forecast period. This is due to the widespread deployment of VR technology in a variety of applications across several industry sectors, particularly in the gaming and automobile industries. Europe has a larger gaming population, which helps to drive the adoption of cutting-edge VR headsets in the region. The rapid development and sale of powerful VR hardware aimed at the gaming community in European countries have accelerated the growth of the regional market.



Meanwhile, the market in the Middle East and Africa is expected to witness sluggish growth owing to the slow adoption of VR technologies.

Market Dynamics

- **Driver: Advancement of technologies and growing digitization**

Advancements in technologies and digitisation have been the major driver for the implementation of new technologies in applications such as industrial, retail, and healthcare. Continuous technological advancements have changed the way humans live, communicate, travel and learn. The technological advancements have helped organizations and businesses reduce production costs and save time to gain a competitive advantage. For instance, 3G and 4G have helped small businesses reach their target markets with reduced costs of operations. The increased use of mobile phones has also helped drive the need for digitisation.

- **Restraint: Health issues due to excessive usage of VR devices**

The virtual reality technologies, especially the virtual reality headsets are extensively used for gaming and e-sports for an immersive playing experience. This excessive usage of VR headsets leads to health issues like lack of concentration, dizziness, lethargy, hearing and eyesight issues. The over use of these VR hardware devices could lead to health issues overall, and hence, this factor can pave a way to be a restraining factor in the growth of this market.

- **Opportunity: Penetration of HMDs in training**

Virtual reality devices and technologies can be used to supervise the workflow in a factory, ensuring timely activities and production. The virtual reality technologies can also be used by the supervisor in order to ensure safety of workers by knowing their location as well as getting warnings for dangerous zones. The manager or supervisor in factories and industries can also conduct training sessions for the workers with the help of VR. This increasing usage of virtual reality in the factories serves as an opportunity for this virtual reality market to grow further in the coming years.

- **Challenge: Integration of VR in low-end devices**

The manufacturers and system integrators in virtual reality technological field find it difficult to integrate these technologies for low end devices, which makes it inaccessible for middle income group or lower income group. Since major world population belongs to middle or lower income group, the unavailability of these technologies in low end devices is a challenge that this industry faces and this may affect the growth of the market altogether.



Covid-19 impact on the Virtual Reality Market

During the COVID-19 outbreak, several industries were shut down temporarily and lockdowns were imposed to arrest the spread of the virus, in turn impacting business operations across regions. However, the increasing need for businesses to continue their activities online resulted in an increased demand for VR. Companies have shifted to virtual platforms to continue their ongoing business activities, such as attending meetings and formulating policies and strategies.

Additionally, VR technology is evolving as a promising tool for virtual events. Event planners provide visitors with engaging and diverse experiences by hosting the event on a virtual platform and presenting it as a virtual reality experience. As a result, the growing popularity of virtual events is encouraging market growth.

The digital transformation of the companies during the pandemic will highly utilize the benefits offered by augmented and virtual reality technology. Companies are even using it to avoid physical contact by having meeting based on augmented or virtual reality solutions. With this increase in teleworkers, new solutions are required to ensure the effectiveness of the work while maintaining the same service as when it was done fac-to-face. One example could be the repair of equipment. Augmented reality and virtual reality is a handy tool for IT professionals to guide through on-screen instructions, and both parties will be able to see the same screen in real-time.

Future of the sector

The global virtual reality industry is expected to generate \$34 billion in revenue by 2023, according to a report by Markets and Markets. Nowadays, the market is demanding applications that go beyond leisure, tourism or marketing and are more affordable for users. Virtual interfaces also need to be improved to avoid defects such as clipping, which makes certain solid objects appear as though they can be passed through. Or to minimise the effects that VR produces in people, among them motion sickness, which consists of a dizziness induced by the mismatch between the movement of the body and what is being seen in the virtual world.

The big technology companies are already working to develop headsets that do not need cables and that allow images to be seen in HD. They are developing Virtual Reality headsets in 8K and with much more powerful processors. There is even talk that in the next few years they could integrate Artificial Intelligence. The latest 5G standard can also provide very interesting scenarios for the evolution of VR. This standard will allow more devices and large user communities to be connected. In addition, its almost imperceptible latency will make it possible for consumers to receive images in real time, almost as if they were seeing them with their own eyes.

In the training field, VR and AR has a great future ahead of it, as its impact when applied to employee training is very interesting. It is a tool that can improve the learning and understanding of any profile, from junior to senior. In addition, it can be applied to other areas such as promoting



greater employee participation, raising safety awareness, and reducing learning curves. This technology facilitates hands-on learning in a structures, safe and interactive way.

3.7 Competition

The business fabric in this sector is mainly occupied by service companies that develop VR / AR experiences for brands and companies, however, more and more companies are beginning to appear that are focused on their own product, following the “startup” model. The majority of companies involved in VR and AR development of products and software were created recently because about a decade ago, innovative initiatives in this sector were not very common due to a general lack of knowledge in this area. However, Virtualware turned out to be one of the pioneering Spanish companies in this area, developing products and services since 2004.

Virtualware's main competitors in the field of virtual reality for industrial or educational applications are described below:



ENGAGEXR

Founded in 2015, ENGAGE XR Holdings PLC is a multi-award winning virtual reality (VR) software company dedicated to changing how people meet, collaborate and learn through the ENGAGE platform. Dual listing on the London Stock Exchange AIM and Irish Stock Exchange ESM, ENGAGE is at the forefront of virtual communications.

They have a very similar platform in terms of features, although more oriented to the commercial and consumer sector (metaverse). They do not give total freedom in the generation of content to their clients, so it is not oriented to deploy complex VR projects.



EON REALITY

Founded in 1999, EON Reality developed and launched EON-XR, a SaaS-based platform dedicated to the democratization of XR content creation that brings code-free XR development and publishing to smartphones, tablets, laptops, and XR-focused devices. EON Reality's global network of more than 1.4 million users is building the Knowledge Metaverse in more than 100 locations and has created the world's leading XR library for education and industry with over 2.16 million 3D assets and counting.



Platform widely used in the educational field. Based on AR technology and oriented to mobile devices. Model based on large volumes of users with low cost per user. Very limited in terms of content generation. It has a very extensive content library for the educational sector.

TALESPIN

TALESPIN

Founded in 2015, the company leverages its proprietary platform to offer enterprise customers, partners, and individuals an end-to-end solution for creating, distributing, and measuring the impact of immersive learning content.

In general terms is a platform specifically oriented to hard and soft skills training for employees. Similar business model, based on SaaS and with its own content generation tools. The tools are oriented to the generation of training pills (a method of teaching employees in various organisations where the content is divided into sections ("pills") to facilitate the adaptation and learning of employees in the tasks to be undertaken) in conversational skills, so it is not flexible at all.

Innoactive

INNOACTIVE

Founded in 2013, Innoactive Portal is a cloud-based solution to deploy VR training for the global workforce. It enables all your employees and customers to access your VR training portfolio with one click.

VR content deployment platform, similar in terms of deployment, without the possibility of in-room deployment. Custom-developed content then the client does not have the possibility to develop it.



IMMERSE

Founded in 2005, Immerse Platform is built for enterprise from the ground up, it helps companies create, scale and deploy VR training and maximise their ROI through their deployment platform for VR projects. It works as a marketplace to which customers have access to use content from the library. They also allow customers to generate their own content but do not have the ability to generate multi-user content, they are only single-user.



ESI GROUP

Founded in 1973 in France, ESI Group is focused on providing virtual design that simulates a product's behavior during testing, manufacturing and further use, by eliminating physical prototypes when developing new products. The company has clients who belong to several sectors as aerospace, automotive, energy and heavy machinery.

Lenovo

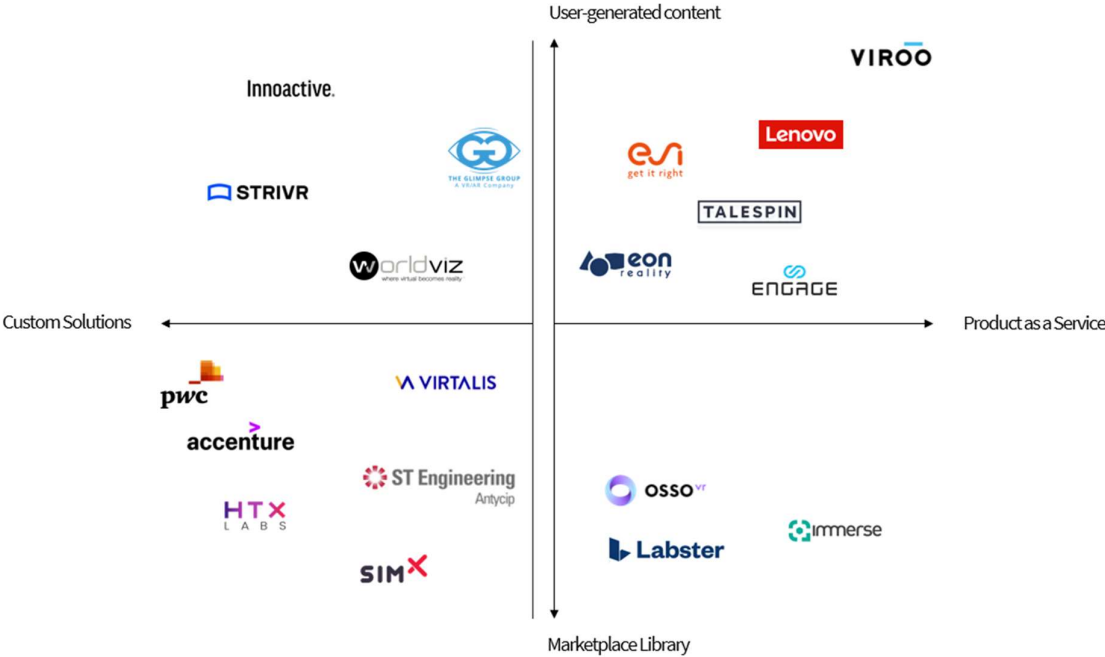
LENOVO

Founded in 1984 in China, Lenovo is a company which designs, manufactures and marketing intelligent devices, software, business solutions and related. Currently also manufactures specific virtual reality products such as headsets or tablets prepared for such use.

Competitive Landscape

VIROO's competitive landscape is defined by different VR-specialized companies and large cap technology companies with active VR divisions. The main differences among them arise from the flexibility and adaptability of their products/platforms and the way they provide their services.

Different from its competitors, VIROO is a ready-to-go platform that allows its users to deploy their own-generated content and charges them for the use of it, which brings potential upsells through additional solutions and services.



Source: Virtualware 2007, SA

Major Competitor Comparison

VIRDOO'S MAJOR COMPETITORS COMPARISON						
	VIRDOO	Lenovo	TALESPIN	esi get it right	eon reality	ENGAGE
Immersive	✓ (VR)	✗ (AR)	✓ (VR)	✓ (VR)	✗ (AR)	✓ (VR)
User Creation Tools	✓ (Unity-Based)	✓ (Proprietary)	✓ (Proprietary)	✗	✓ (Proprietary)	✗
MultiUser	✓	✗	✓	✗	✗	✓
Remote Collaboration	✓	✗	✓	✗	✗	✓
MultiDevice	✓	✗	✓	✓	✓	✓
VR Room Deployment	✓	✗	✗	✗	✗	✗
Multipurpose	✓	✓	✗	✗	✗	✓

Source: Virtualware 2007, SA



3.8 Suppliers

Virtualware's suppliers are mainly companies that provide specialised hardware for the complete perception of virtual and augmented reality. To a lesser extent, it also outsources the design of the spaces in which it displays its projects, some IT services and transport services.

List of Main Suppliers
(Total paid in € to each supplier in 2022)

Main Suppliers	Product	Total paid in €	%
Total	-	453,051	100%
IMMERSIVE DISPLAY	VR Headsets	39,472	9%
ISOSTOPY	VR experience development	36,000	8%
JSA PROJECT	Mobile Structure and VIROO Room	34,693	8%
PALOMA PROJECT	Marketing	32,050	7%
PICO INTERACTIVE	VR Headsets	27,600	6%
ESPRINET	Workstations and Monitors	20,886	5%
LINKEDIN	Marketing	16,550	4%
ARGUI	Rack installation	13,563	3%
CLEANBOX	VR Headsets disinfection	12,950	3%
SAVINO DEL BENE	Maritime transport	12,365	3%
MCR	Monitors, others	11,535	3%
BITAR	IT services	10,490	2%



RESTO	Others	184,897	41%
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Source: Virtualware 2007, S.A.

- **IMMERSIVE DISPLAY**

Service: VR Headsets

Founded in 2016 in France, Immersive Display is a company which sales hardware accessories for virtual reality, as well as augmented reality, counting with more than 150 references and delivers to its customers worldwide.

- **ISOSTOPY**

Service: VR Experience Development

Founded in 2016 in Spain, Isostopy is a specialized VR and AR software provider for companies from several sectors such as manufacturing, publishers or construction in Spain.

- **JSA PROJECT**

Service: Mobile Structure and VIROO Room

JSA Project is an international company, based in Spain, with more than 25 years of experience in design, decoration and constructions of any kind of Stands for any purpose.

- **PALOMA PROJECT**

Service: Marketing

The Paloma Project is a global, tech-based Investor and Strategic Communications company focused in the European and American investment markets.

- **PICO INTERACTIVE**

Service: VR Headsets

Founded in 2015, Pico is a company focused on research, development, manufacturing and sales of headsets and all the equipment to give a complete experience for VR.

3.9 Dependence on permits, licenses and patents

This section will detail all permissions, licences, certificates and patents currently held by Virtualware. These patents and certifications are a sign of the quality of the product and service offered by the company to its customers.

3.9.1 Certificates

LRQA Approval Certificate ISO 9001:2015



- **Certify the Management System of:** Virtualware 2007, S.A.
- **Domicile:** Pol. Artunduaga, P.8.1 (Bilbondo) – C/ Usausuaga, 7, Vizcaya, 48970 Basauri, Spain
- **Approval number(s):** ISO 9001 – 0038193
- **Scope of approval:** Project Development and Digital content applications. Integration of technological solutions based on digital interactive content platforms. Quality certification according to ISO 9001:2015 approved on the 26th of July 2010 and issued on the 26th of July 2022, with certificate identity number 1021436, and expiration date on the 25th of July of 2025.

LRQA Approval Certificate ISO 27001:2013



- **Certify the Management System of:** Virtualware 2007, S.A.
- **Domicile:** Pol. Artunduaga, P.8.1 (Bilbondo) – C/ Usausuaga, 7, Vizcaya, 48970 Basauri, Spain
- **Approval number(s):** ISO 27001 – 00038156
- **Scope of approval:** The Security Information Management System for the services carried out:
 - Development of projects and applications of digital content delivered in DEVaaS mode (Development as a Service).
 - Integration of technological solutions based on interactive digital content platforms.
 - Services that ensure the availability of the Logical Infrastructure for critical functionality in VRaaS (Virtual Reality as a Service).



- Quality certification according to ISO 27001:2013 approved on the 1st of November 2022, with certificate identity number 10477067, and expiration date on the 31st of October of 2025.

3.9.2 Licenses and Trademarks

The following is a summary of all the brand licenses held by Virtualware 2007, S.A.:

VIRTUALWARE

Modality: National Trademark

Countries: United Arab Emirates, Chile, Mexico, Colombia



VIRTUALWARE_®

Modality: National Trademark

Countries: Mexico, United Kingdom

Modality: European Union Trademark

Countries: Intellectual Property Office of the EU

 **Virtualware**

Modality: National Trademark

Countries: United Kingdom

Modality: European Union Trademark

Countries: Intellectual Property Office of the EU



Modality: National Trademark

Countries: United Kingdom

Modality: International Trademark

Countries: Canada, Colombia, Mexico, United States

Modality: European Union Trademark

Countries: Intellectual Property Office of the EU



Modality: National Trademark

Countries: Canada, Spain, United States, United Kingdom

Modality: European Union Trademark

Countries: Intellectual Property Office of the EU



Modality: National Trademark

Countries: United Kingdom

Modality: European Union Trademark

Countries: Intellectual Property Office of the EU



Modality: National Trademark

Countries: United States, United Kingdom

Modality: European Union Trademark









Countries: Intellectual Property Office of the EU



Modality: National Trademark

Countries: Spain

Detailed table with all Trademark Registers of Virtualware 2007, S.A.

Trademark	Modality	Approval	Expiration	Location
	National Trademark	02/11/2017	11/09/2024	United Arab Emirates
		04/11/2015	04/11/2025	Chile
		13/06/2013	-	Mexico
		29/07/2015	29/07/2025	Colombia
	National Trademark	05/04/2019	-	Mexico
		05/07/2019	22/01/2029	United Kingdom
	EU Trademark	05/07/2019	22/01/2029	Intellectual Property Office of the EU
	EU Trademark	27/01/2010	09/07/2029	Intellectual Property Office of the EU
	National Trademark	27/01/2010	09/07/2029	United Kingdom
	International Trademark	07/06/2022	10/02/2031	Canada, Colombia, Mexico, USA
	EU Trademark	14/12/2020	24/09/2029	Intellectual Property Office of the EU
	National Trademark	14/12/2020	24/09/2029	United Kingdom
	National Trademark	28/01/2016	28/01/2031	Canada
		07/06/2012	-	Spain
		22/03/2013	15/10/2022	United Kingdom
		08/07/2014	-	USA
	EU Trademark	21/02/2018	15/09/2027	Intellectual Property Office of the EU
	National Trademark	21/02/2018	15/09/2027	United Kingdom
	EU Trademark	17/11/2017	18/07/2027	Intellectual Property Office of the EU
	National Trademark	15/01/2019	15/01/2029	USA
		17/11/2017	18/07/2027	United Kingdom
	National Trademark	06/05/2011	-	Spain

Source: Virtualware 2007, S.A.

3.9.3 Patents

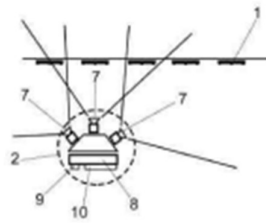


FIG. 1

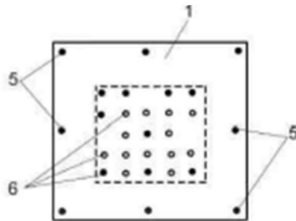


FIG. 2

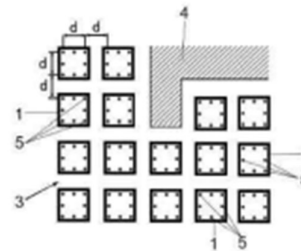


FIG. 3

Source: Virtualware 2007, S.A.

The Virtualware patent is aimed at the existing hardware used to set up the Viroo Rooms where the VIROO software is implemented. It is currently in force in Spain as of the 9th of November of 2021, and in the United States as of the 18th of July of 2018.

A summary detailing the patent is provided below:

The present invention relates to a positioning system, more specifically for the positioning of objects in different types of spaces for multiple applications. The object of the invention is to provide a positioning system that can be effectively applied in enclosed spaces, without generating "dead zones" due to the existence of obstacles such as columns, aisles, etc., and without limiting the number of users.

Specially designed for large indoor spaces, it consists of a series of suitably distributed static space modules and a series of tracking units associated with each player or user, such that the space modules consist of a square-shaped panel, in which are integrated two groups of LEDs of different types, visible spectrum reference LEDs and infrared identification LEDs, each space module including means of configuration for its identification LEDs as well as means of power supply or connection to a power source. In parallel, the tracking units incorporate a series of cameras with different orientations, associated with an image processing unit, having a communications port and power supply means. The system is complemented with software for processing the information sent and previously managed by the tracking units, which can be implemented either through the processing unit associated with each tracking unit or in a more powerful external processing unit, through a communications network.

Detailed table with all “Registered” and “In Progress” Patents of Virtualware 2007, S.A.

Modality	Number code	Approval	Expiration	Location
National Patent	16624529 US	09/11/2021	09/05/2025	USA
European Patent	18827559 EP	In process	In process	European Patents Office
National Patent	3064672 CA	In process	In process	Canada
National Patent	201730883 ES	18/07/2018	31/07/2023	Spain
Patent	2018070435ES WO	In process	In process	World Intellectual Property Organisation
National Patent	201880043962.1 CN	In process	In process	China
National Patent	MX/A/2019/0148565	In process	In process	Mexico

Source: Virtualware 2007, S.A.

3.10 Related party transactions

The Board of Directors is responsible for making the decisions concerning the financial and strategic policies of the Company.

The Company has no transactions with related party transactions with related parties or members of the Board of Directors, except for contributions made by shareholders.

3.11 Environmental Social Governance

Virtualware is committed to improving the world through its practices and takes ESG as a key goal. According to the World Economic Forum, the widespread adoption of Virtual Reality will advance the achievement of Sustainable Development Goal 9, which aims to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Although the company strives to apply all SDGs in its activities and processes, it prioritises the following:



Since their inception, they have worked to become a benchmark for their contribution to the development and expansion of Virtual Reality to create a more sustainable world.

In addition, Virtualware has developed specific mechanisms to contribute in environmental and social terms as part of its strategic plan and already produces a yearly Sustainability Report, pointing out essential ESG practices within the organization and towards clients and key suppliers. Alongside this line, they have created a sustainability committee formed by 11 people from different departments of the organization with specific responsibilities that include the



identification of SDG's and targets, creation of a materiality index, and definition of programs and the sustainability KPI's.

Their team is the greatest manifestation of ESG success:

- Out of 43 employees, 19 have been in the company for over a decade.
- On average, the team stays with them for at least seven years.
- Employee Net Promoter Score (NPS) is 8,67. They aim to become a “*Best Place*” to work.
- The median age of the team is 38.
- Annual rotation is only 7,5%.
- All employees will be recognized and rewarded in stock after going public.

4. RISK FACTORS

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this section before making an investment decision in respect of the Shares. The risks and uncertainties described below are not the only ones facing the Group. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Group's business, and adversely affect the price of the Shares. If any of the following risks materialise, individually or together with other circumstances, the Group's business, prospects, financial position and/or operating results could be materially and adversely affected, which in turn could lead to a decline in the value of the Shares and the loss of all or part of an investment in the Shares.

A prospective investor should consider carefully the factors set forth below, and elsewhere in the Information Document, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of an investment in the Shares.

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements except as required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this Information Document.



The order in which the below risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

4.1 General risks

4.1.1 Geographical

The group's business performance is influenced by the economic conditions of the countries in which it operates. Normally, robust economic growth in those areas where the Group is located results in greater demand for its services, while slow economic growth or economic contraction adversely affects demand for its services.

The group operates in three areas worldwide: Europe, North America and Latin America. This could entail some economic risks, arising from the fluctuation of local currencies against the euro, legal specifics or different economic cycle moments. In addition, the Latin American area presents its own risks, such as political instability, which can lead to legal uncertainty in business. In addition, in this geographical area there are economic risks such as the increase in the fiscal deficit of governments, which could lead to a deterioration in the credit quality of the country and high annual inflation rates.

The diversification of the business in the 3 territories allows Virtualware to mitigate the risk of instability in any of these territories. The strategy of increasing the indirect channel in these territories will also allow to eliminate some risks related to instability which, although indirectly, will not affect the company directly. Additionally, having a presence in different countries and territories allows Virtualware to not depend on a single country or territory and therefore their business will not be affected to a great extent by the instability of one territory.

However, as noted above, there are a variety of macroeconomic factors which could have a negative impact on the group's revenues and could increase the group's financing costs. As a result, any of these factors could have a material adverse effect on the group's business, financial condition and results of operations.

4.1.2 Suppliers

The Group's ability to serve its customers in a timely manner depends on the ability of the Group's strategic suppliers and resellers to perform their obligations and deliver their products and/or services in a timely manner and in accordance with contractual requirements.

The company already has a diverse group of suppliers and there is no supplier that, being critical for the deployment of the company's solutions, cannot be replaced by an alternative. In addition,



the company's business is becoming more and more dependent on software-as-a-service products, where dependence on suppliers is lower and there are different alternatives in the market.

4.1.3 Economic Cycle

Global macroeconomic conditions affect the Group's customers' businesses, which may have a consequential effect on their spending and demand for the Group's products and/or services. Economic volatility and uncertainty are particularly challenging because many of the projects the Group undertakes for customers require major investment by them, which customers are less willing to make in uncertain economic conditions. Volatile, negative or uncertain economic conditions in the Group's customers' markets, may undermine, business confidence and cause the Group's customers to reduce or defer their spending on new initiatives and technologies, or may result in customers reducing, delaying or eliminating spending relating to the Groups' products and services, or putting pressure on the Group's pricing. In addition, international, national or local political volatility, may negatively impact the Group and its customers. Any of the above-mentioned factors could negatively affect the Group's business, results of operations, financial condition, cash flow and/or prospects.

Virtualware has managed in recent years to move its revenue model from the development of large-scale projects to the provision of fully scalable services. The flexibility that the company now has to offer scalable plans to the market helps mitigate the risk of economic cycles that paralyze or pause large investments in companies.

4.1.4 Global pandemic

A worsening of the health crisis that significantly affects the employment rate in Spain and/or the number of small and medium-sized enterprises could Spanish employed population and/or the number of small and medium-sized enterprises, could have a major impact on the volume of activity, business could have a significant impact on the Group's volume of activity, business, results, financial and equity position financial and equity position of the Group and, consequently, on the Company's valuation.

Virtualware pivots around providing products that are clear solutions to companies that need to continue to operate under the global pandemic, so even though the company may be affected by the disappearance of a certain part of the market, the increased demand for its products can mitigate that risk and even become an opportunity.

4.1.5 Brand and reputation damage



Virtualware Group's competitive positioning is based on a series of competitive strengths, which, if not maintained in the medium and long term, could have a negative impact on the business results, financial situation and profitability of the group. If the group's market reputation were to be damaged, it could have a negative impact as its customer base could be reduced.

Virtualware is working hard to position its brand and generate awareness in its target markets. Over the next few years, a significant increase in investment dedicated to raising the company's profile and reputation is expected.

4.1.6 Rising Competitors

The virtual reality and augmented reality sector is made up of young companies in a large market, where there is still room for more competitors. Currently, new technologies are emerging to converge with augmented reality, leaving room for the creation of new manufacturers and suppliers. The digitization trends of companies, are driving an incipient growth of this market, creating short-term opportunities for suppliers of virtual and augmented reality solutions. Increased competition could translate into lower margins for the group, directly affecting the bottom line.

The company is one of the pioneers in the application of these technologies and has a unique product that today represents a series of competitive advantages in the market. Faced with the risk of the emergence of competitors, the company is working intensively on its growth, expanding the installed base of customers and positioning itself as a national and international reference.

4.1.7. Shareholding concentration

Although there is no acting in concert among the founders, they are in a position to effectively control, directly or indirectly, matters requiring shareholders' approval, including, among other significant corporate actions, the appointment and dismissal of the members of our Board of Directors, the payment of dividends, changes in the issued share capital, the adoption of amendments to our bylaws, the execution of mergers or other business combinations and the acquisition or disposal of substantial assets. The company cannot assure that the interests of the founders are or will be aligned with the interests of other shareholders of the company.

4.2 Operational risks

4.2.1 Data protection



The Group may receive, store and process personal information and other user data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for non-compliance, in particular relating to storing, sharing, use, processing, disclosure and protection of personal information and other user data. The main regulations are the General Data Protection Regulation (EU) 2016/679 (the "GDPR") and the Spanish Data Protection Regulation 3/2018 of December 5, on the protection of personal data and guarantee of digital rights. It is possible that these laws are interpreted or applied in a manner that is averse to the Group or otherwise inconsistent with the Group's practices, which could result in litigation, potential legal liability or oblige the Group to change its practices in a manner adverse to its business. As a result, the Group's reputation may be harmed, substantial costs may incur and consumers, customers and/or revenues may be lost.

Virtualware has established a series of protocols and processes to mitigate risk. In addition, in 2022 it obtained the ISO 27.001 certification, which allows the company to comply with the highest security standards.

4.2.2 Cybersecurity

The group is exposed to any cyber-attack that may breach the information systems required for the normal conduct of its business. The group, as an innovative technology company, develops and maintains systems and applications that could be subject to cyberattacks. This risk arises both for the group's own systems used for its normal operation and for the applications developed for its different clients. A possible attack could result in the loss of customers or the deterioration of corporate reputation, or even litigation in other cases. Detection of the attack should be addressed as soon as possible to minimise the consequences of improper use of information.

Virtualware has established a series of protocols and processes to mitigate risk. In addition, in 2022 it obtained the ISO 27.001 certification, which allows the company to comply with the highest security standards.

4.2.3 Dependence on client contracts

The company formalizes contracts on projects which can be terminated in relatively short periods of time. The cancellation or modification of such contracts under different conditions from the current could affect the business and its reputation.

Thanks to the change of strategy in recent years, the company is managing to sign multi-year contracts with private entities and public institutions based on the provision of recurring services. This model allows the company to have committed clients in the medium and long term and to work intensively with them to add greater value. This type of contract refers to VIROO subscription



plan contracts. These plans are contracted by customers on a multi-year basis. Furthermore, there is no significant concentration of clients in Virtualware's portfolio.

4.2.4 Lack of technological advancements

Virtualware is in a time of change for its product due to the elimination of backpack equipment from the market. They need to prepare for a room environment with streaming, and probably in the future to work with standalone or cloudXR equipment, which implies major changes. Also, the evolution of relative tracking systems will force them to be very attentive and move fast if necessary. To minimise the likelihood of not keeping up with technological advancements, the Company will focus on:

- Prototype and launch the first rooms with Streaming to local teams.
- Review and advance in Standalone technology, CloudXR, etc...
- Improve trackers and positioning system

4.2.5 Inability to retain key persons

Since the Company's future success is dependent on its ability to continue to enhance its existing services and introduce new services, the Company is heavily dependent on the ability to attract and retain qualified personnel with the requisite education, background, and industry experience. As the Company expands its business, its success will also depend, in part, on the ability to attract and retain qualified personnel capable of supporting a larger and more diverse customer base. The termination of the employment relationships with a significant number of key persons could be disruptive. In addition, if any of the key persons joins a competitor or decides to otherwise compete with the Company, the Issuer may experience a material disruption of operations and business strategy, which may result in a loss of clients, in an increase in operating expenses and in a diversion of personnel's focus.

The Company will mitigate this risk through the following activities:

- Evaluation of new ways of working in order to increase capacity to capture new customers. Full remote.
- Strengthen retention and participation models
- Promote training and professional development

4.2.6 Client Satisfaction

This year 2022 Virtualware will have a significant number of rooms deployed, new user entities and a renewed product with new functionalities. It will be key to achieve the maximum satisfaction of



the user entities in this year, which will allow them to continue counting on their trust, grow with them and generate new opportunities and clients. To minimise the likelihood of failing to meet client expectations, Virtualware will work on the following:

- Refine and enhance the service provision process
- Increase capacity to serve content to user entities.
- Deploy in Toronto support team for GEH in NA
- Automate VIROO data collection to improve service delivery
- Enhance content creation tools for VIROO

4.2.7 Business Strategy

The value of an investment in the Company is dependent, inter alia, upon the Group successfully implementing its growth plans and achieving the aims set out in this document. Although the Group has been successful in implementing its strategy to date and has a clearly defined strategy going forward, there can be no guarantee that its objectives will be achieved or that the Group will achieve the continued level of success that the directors expect or that certain successes might not replicate previous successes. Furthermore, the Group may decide to change aspects of its strategy described in this document. The Group's ability to implement its business strategy successfully may be adversely impacted by factors that the Group cannot currently foresee, such as unanticipated market forces, costs and expenses or technological factors.

4.2.8 Corporate Governance

As a company that works and aspires to work with the largest and most important companies in the world, Virtualware needs to prepare in corporate terms for compliance, quality, cybersecurity or sustainability will be elements on which they will have to work intensively this year, certifying themselves, entering international networks and adapting processes and systems to be able to respond adequately to the requirements of the markets. Virtualware will mitigate this risk through:

- Develop the certification in Information Security Management System (ISO 27.000).
- Evaluate incorporation as a B Corp company
- Implement compliance and communication

4.3 Financial Risks

4.3.1 Interest rate

The volatility in interest rates may have an impact on the cost of the financial resources necessary for the development of the activity. In addition, indirectly, interest rate variations affect the



disposable income of present and future users and may affect Virtualware's revenues. A higher interest rate will make it more expensive for the company to finance through debt which may cause a variation in the financing strategies followed by the group.

4.3.2 Liquidity

Liquidity risk is the risk that the Company will not be able to meet its monetary needs through company financial resources. Financial resources include resources generated by activities and those that can be mobilised by third parties. Liquidity risk is characterised by the existence of an asset with a longer term than the liability, resulting in the inability to repay short-term debts in the event that the assets are not sold.

The business model implemented of multi-year subscription plans with high upfront payment percentages is helping to mitigate the liquidity problem. Virtualware will also work, once in the market, on structuring alternative ways of financing working capital if necessary.

4.3.3 Credit

Credit risk refers to the risk a counterparty defaults on its payment obligations. Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. Traditionally, it refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection. Excess cash flows may be written to provide additional cover for credit risk. When a lender faces heightened credit risk, it can be mitigated via a higher coupon rate, which provides for greater cash flows. Although it's impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. Interest payments from the borrower or issuer of a debt obligation are a lender's or investor's reward for assuming credit risk.

The company's shareholding, composed mostly by the founding partners, implies a high capacity of the company to raise capital through capital increase mechanisms that can mitigate credit risk or a potential problem related to the management of current loans.

4.3.4 Foreign Currency Exchange

Foreign exchange risk arises when a company engages in financial transactions denominated in a currency other than the one where that company is based. Any appreciation/depreciation of the base currency or the depreciation/appreciation of the denominated currency will affect the cash flows emanating from that transaction. Foreign exchange risk can also affect investors, who trade in international markets, and businesses engaged in the import/export of products or services to multiple countries.



Companies in a strong competitive position selling a product or service with a strong brand may be able to transact in only one currency. This passes the exchange risk onto the local customer/supplier. In practice, this may be difficult since there are certain costs that must be paid in local currency, such as taxes and salaries.

4.4 Legal and regulatory risks

4.4.1 Regulatory changes

The changes on legal framework and the regulations on labour, immigration and tax matters (as well as regulations related to the handling of personal data) of the different countries where it operates, could alter the normal course of the group's operations, causing deviations in the expected results, as well as contingencies that need to be solved in the shortest possible time. This eventual situation could have an impact on the results or compromise the group's financial situation.

To mitigate this risk, the Company keeps itself informed of the regulatory and legislative situation in the different countries where it operates. In addition, Virtualware complies with the highest quality certifications and ensures regulatory compliance in the event of the introduction of new laws through the supervision of the board of directors and members of various committees.

4.4.2 Different Jurisdictions

The group operates under the economic and political situation of the geographical areas where it does business, especially in Spain. The diversity of legal aspects that apply in each area may cause different contingencies for which the company could not be prepared and may affect the normal development of the business. Unexpected political or regulatory changes, especially in Latin America, could have an impact on cost increases or revenue cuts.

In a similar way to the risk mentioned above, the company ensures compliance with the applicable jurisdiction in terms of commercial, tax and civil law in the country where it operates irrespective of the different jurisdictions.

4.4.3 Insurance against customer harm

The company manages confidential information of its clients, as a consequence of the elaboration of projects, which may contain knowledge or data that must be taken care of until the product to be developed is made available to the public. Failure in the management of the contents may cause damage to the client that must be compensated. In the case of Virtualware, it may be that one of



their clients has an unwanted or unprovoked accident when using virtual reality in an uncontrolled space.

To mitigate this risk against damage that may be caused to a natural person, Virtualware has Liability Insurance Policies covering damages up to €6M which cover all services offered by Virtualware, Hermeneus World and Evolv Rehabilitation Technologies. It specifically covers: Professional Indemnity, General Liability and CyberClear. The policy number is as follows which is renewed annually: HD IP6 2080527.

4.4.4 Certifications and licenses from authority

As an application developer, the group is subject to specific patent and intellectual property legislation. The achievement of patents is the group's main competitive advantage: innovation. The exploitation of an application entails the need to obtain a patent in the different countries in which the group is operating in order to acquire protection in each of them. The company depends on obtaining a patent, to be able to grow its international business, so any loss of protection can block the business in the country where it is intended to expand and thus its growth.

To this end, the company is very active in R&D and strives to be at the forefront of the certifications and licences needed to compete in the industry and to offer its customers innovative and safe services.

4.4.5 Procedures and litigations

The Group may be party to various legal proceedings that arise in the ordinary course of its business, including disputes relating to contractual obligations and non-disclosure agreements. The value of contracts, non-disclosure and intellectual property rights are of high importance for the Group, as it operates in a highly competitive commercial environment where the strength of the contracts and intellectual property rights may be an important feature that distinguish the Group from its competitors. It is therefore important for the Group to ensure the value and commercial use of its contracts and intellectual property rights. There can be no assurance that third parties, such as suppliers or customers, have not or may not infringe contracts or intellectual property rights owned by the Group, who may have to challenge such parties' rights to continue to use or sell certain products or services and/or may seek damages from such parties.

Any failure to comply with data protection and data privacy policies, privacy-related obligations to customers or third parties, privacy-related legal obligations, or any compromise of security that results in an unauthorised release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against the Group. Any such failure could cause customers and vendors to lose their trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of



the Group's products at risk and could in turn have an adverse effect on the Group's business. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of users' content, or regarding the manner in which the express or implied consent of users for the collection, use, retention or disclosure of such content is obtained, could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to store and process user data or develop new services and features.

4.4.6 Litigations regarding IP Rights

There can be no assurance that the Group may not infringe or be alleged to have infringed intellectual property rights owned by third parties who may challenge the Group's rights to continue to use or sell certain products, services and/or may seek damages from the Group. Any claims and legal proceeding made by or against the Group could be time-consuming, result in costly litigation, cause product delays, divert its Management from their regular responsibilities or require the Group to enter settlements. These types of claims and proceedings may expose the Group to monetary damages, direct or indirect costs, direct or indirect financial loss, civil and criminal penalties, loss of licenses or authorisations or loss of reputation, all of which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

4.5 Risk of the Listing of shares

4.5.1 Increase costs following listing of shares

As a listed company, the Issuer will be subject to rules and regulations that listed companies must follow in the market. In order to be compliant, the Issuer may need to establish certain procedures as well as adopt certain policies, which may result in significant compliance costs for the Issuer. Such increased costs may adversely affect the Issuer's business, financial and economic positions and results of operations.

The increase of costs will not be significant compared to the expected revenue within the first 2 -3 years.

4.5.2 Risk of dividend payment

The Company's ability to pay dividends on Shares may be restricted by the terms of any future debt incurred or preferred securities issued by the Company or law. Payments of future dividends, if any, may be proposed after considering various factors, including Impulse business, financial



conditions, results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on the Company's ability to pay dividends. There can be no assurance that, in the future, the Company will be able to make dividend payments. If cash is not available to pay dividends, the board may decide to pay in shares.

If cash is not available to pay dividends, the board may decide to pay in shares. Nevertheless, the Company does not plan to distribute dividends to its shareholders in the short-term, hence this risk will not happen at least in the first year of listing.

4.5.3 Liquidity of the listed shares

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favourably. Prior to the Admission to Trading, there has been no public market for the Shares, as the Shares have not been listed or admitted to trading on any, stock exchange, regulated market or multilateral trading facility. Following an Admission to Trading on Euronext Access, an active or liquid trading market for the Shares may not develop or be sustained. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be able to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

4.5.4 Risk related to the volatility of shares / market

The share prices of companies admitted to trading on Euronext Access can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

The market price of the Shares may be affected by high level of volatility. In fact, market price for newly listed shares, as the Shares, is often volatile for a period after the Listing. The share market in general, and for smaller companies, may be subject to significant price and volume fluctuations, which are not possible to predict out of the companies' developments or disclosed results. As a result of this potential volatility, Shareholders may not be able to sell their Shares at or above the



initial Listing Price. The market price of the Shares may fluctuate significantly in response to several factors, many of which are beyond the Company's control, including, among others:

- Actual or anticipated fluctuations in the Company or Group's revenues and results of operations.
- Announcements by the Company or its competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments.
- The standalone and/or consolidated financial projections that the Company may provide to the public, any changes in these projections, or the Company or the Group's failure to meet these projections.
- Failure of securities analysts to initiate or maintain coverage of the Company and the Group, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow the Company and its Group, or the Company and/or Group's failure to meet these estimates or the expectations of investors.
- The size of the Issuer's free float.
- Price and volume fluctuations in the trading of the Shares and in the overall stock market, including as a result of trends in the economy.
- New laws or regulations or new interpretations of existing laws or regulations applicable to the Group's business or industry, including data privacy, data protection, and information security.
- Lawsuits threatened or filed against the Company and its Group.
- Changes in the Company's Board of Directors or key management.

4.5.5 Risk of ownership dilution

The Company may in the future decide to offer and issue new Shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company. Additionally, the Company could implement stock compensation schemes for employees that could dilute previous shareholders.

4.5.6 Tax risk



By purchasing and holding the Shares, investors should take their own tax advice as to the consequences of owning such Shares as well as receiving returns from them. Investors should be aware that ownership of the Shares could be treated in different ways in different jurisdiction.

4.5.7 Obligations as a listed company

Though the constraints are lower than those applicable for a company listed on a regulated market, as a public company, the Company will incur significant legal, accounting, audit, reporting and other expenses in connection with its obligations under applicable securities laws, including the internal and external costs of maintaining the system of internal controls as well as the costs of preparing and distributing periodic public reports, including financial statements and notes, and including the costs related to the ongoing reporting obligations under the EU regulation N°596/2014 of the European Parliament dated April 16th, 2014 on market abuse (“Market Abuse Regulation”).

Effective internal controls are necessary for the Company to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause the Company to fail to meet its reporting obligations. In addition, changing laws, rules and regulations relating to corporate governance and public disclosure, including regulations implemented by Euronext for companies listed on the Euronext Access market, increase the Companies legal and financial costs, including costs relating to monitoring, evaluating and complying with such laws, rules and regulations.

These laws, rules and regulations are subject to varying interpretations and may evolve over time as new guidance is provided by regulatory and governing bodies, which may result in increased compliance and governance costs and the diversion of management resources. If the Companies efforts to comply with such laws, rules and regulations are not successful, it could be subject to fines, penalties or regulatory proceedings, which can be time consuming and costly to litigate and could lead to negative publicity. If any of these risks occur, or if these requirements divert the management's attention from other business concerns, they could have a material adverse effect on the Companies business, financial condition and results of operations.



5. INFORMATION CONCERNING THE OPERATION

5.1 Registration with Euronext Access

Admission to trading procedure: Registration of shares for trading on Euronext Access Paris through Technical Admission.

ISIN: ES0105704003

Euronext Ticker: MLVIR

Number of shares to be listed: 4,542,000 shares

Nominal price per share: 0.035 EUR €

Reference price per share: 6 EUR €

Market capitalisation: 27,252,000 EUR €

Initial listing and trading date: 18st of April 2023

Listing Sponsor: SOLVENTIS S.V., S.A.

Audit: Mazarredo Auditores

Legal Advisor: Cuatrecasas

Paying Agent: Banco de Sabadell, S.A.

Central Securities Depository: IBERCLEAR – Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores S.A. Unipersonal

5.2 Objectives of the listing

This transaction is carried out within the procedure for a technical admission to trading on the Euronext Access Market operated by Euronext Paris S.A. The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF). The listing on Euronext Access will give the company greater credibility among customers, suppliers and investors, allowing it to build stronger relationships and giving it a competitive advantage. The listing gives the company access to a broader and more diverse universe of investors and an indication on how the market evaluates its business model. Moreover, being listed gives current shareholders and new investors access to a built-in liquidity event in the medium-term.



5.3 Company's share capital and evolution of the share capital

“Article 6. – Share capital

The Company's share capital is ONE HUNDRED AND FIFTY-EIGHT THOUSAND NINE HUNDRED AND SEVENTY EUROS (158,970€), divided into 4,542,000 common shares, all of the same class and series, each having a par value of 0.035 euros, fully subscribed and paid up, numbered consecutively from 1 to 4,542,000, both inclusive.”

Details of the evolution of the company's share capital together with the entry and exit of shareholders can be found in section “3.2.1 - Ownership and shareholding structure”.

5.4 Main characteristics of the shares and general meeting rules

5.4.1 Characteristics of the shares

“Article 7 – Representation of the shares

- 1. The shares are represented by book entries and are constituted as such by virtue of their entry in the corresponding accounting register. They will be governed by the applicable regulations on stock markets.*
- 2. The keeping of the accounting register of the shares represented by book entries shall be entrusted to an entity designated by the Company from among those entities that can perform this function in accordance with the applicable stock market regulations.*
- 3. The legitimation to exercise the shareholder's rights is obtained by registration in the accounting register, which presumes legitimate ownership and enables the holder of the register to demand that the Company recognise him/her as a shareholder. Such legitimation may be accredited by showing the appropriate certificates issued by the entity in charge of keeping the corresponding accounting register.*
- 4. If the Company makes any provision in favour of the person who appears as the holder according to the accounting register, it shall be discharged from the corresponding obligation, even if that person is not the actual holder of the share, as long as the provision was made in good faith and without gross negligence.*



5. *In the event that the person appearing in the entries of the accounting register has such entitlement by virtue of a fiduciary title or in his capacity as a financial intermediary acting on behalf of his clients or through another title or status of analogous meaning, the Company may require him to reveal the identity of the real owners of the shares, as well as the acts of transfer and lien on the shares.”*

5.4.2 General Meeting rules

Article 13, 14, 15, 16, 17, 18 and 19 of the articles of association sets out the operation of the General Meeting:

“Article 13 – Types of Meeting

1. *Meetings of the General Meeting of Shareholders may be either ordinary or extraordinary.*
2. *The ordinary meeting of the General Meeting of Shareholders, previously called for this purpose, shall necessarily take place within the first six (6) months of each financial year, in order to, if appropriate, approve the management and accounts for the preceding year and to resolve the application of income; and may also address any other business on the agenda. An ordinary general meeting will be valid even if called or held after the pertinent deadline.*
3. *Any meeting of the General Meeting of Shareholders other than the meeting described in the preceding paragraph will be considered an extraordinary general meeting.”*

“Article 14 – Authority to convene

1. *Meetings of the General Meeting of Shareholders shall be called by the Board of Directors or, as the case may be, by the liquidators. The Board of Directors shall convene the General Meeting of Shareholders whenever it deems necessary or convenient for the interests of the company and, in any case, on the dates or during the periods determined by Law.*
2. *It must also convene it when requested by one or more shareholders representing at least five (5) per cent of the share capital, stating in the request the matters to be discussed at the meeting. In this case, the general meeting must be called to be held within two (2) months of the date on which the governing body was requested by notary to convene it, and the agenda must necessarily include the matters that were the subject of the request.*
3. *With regard to the convening of the General Meeting of Shareholders by the court clerk or commercial registry, the provisions of the Law shall apply.”*

**“Article 15 – Convening and constitution**

1. *The convening will be made by announcement published on the corporate website, in the manner and with the content provided for in the Law.*
2. *The announcement of the calling shall state in any case: (i) the Company’s name, and the date and time of the meeting, (ii) the agenda, setting out the business to be dealt with, and (iii) the title of the person(s) sending the convening. Likewise, the date on which, if applicable, the general meeting will be convened in the second call may be recorded.*
3. *The meeting of the General Meeting of Shareholders will be held in the municipality where the Company’s registered office is located. If the convening does not specify the place where the meeting of the General Meeting of Shareholders is to be held, it will be understood to be convened at the Company’s registered office.*
4. *There must be a period of at least one (1) month (or two (2) months in the event of an international transfer of the registered office) between the call to the General Meeting of Shareholders and the date set for the meeting to be held.*
5. *Shareholders representing at least five percent (5) of the share capital may request publication of a supplement to the convene for a meeting of the General Meeting of Shareholders, with one or more agenda points. This right will be exercised through irrefutable notice that must be received in the registered office within five (5) days of the date the call is published. The supplement to the convene will be published at least fifteen (15) days before the date set for the general meeting.*
6. *Unless another mandatory quorum for constitution applies, the general meeting will be validly constituted on first call, if shareholders holding at least twenty five percent (25) of the Company’s subscribed voting shares are present or represented. The meeting will be validly constituted on second call with the attendance of any shareholders. However, to pass a resolution affecting issues referred to in article 194 of the Law, at least fifty percent (50) of the subscribed voting shares must be present or represented on the first call and at least twenty five percent (25) on the second call.*
7. *Notwithstanding the above, a universal general meeting can be constituted to deal with any business with no need for advance notice, as long as the holders of all of the Company’s capital stock attend or are represented and those that attend unanimously agree to hold a general meeting. A universal general meeting may be held anywhere in Spain or abroad.”*

“Article 16 – Attendance and representation



1. *Those holders with their shares registered in the corresponding accounting register five (5) days prior to the meeting of the General Meeting of Shareholders shall have the right to attend, speak and vote in meetings of the General Meeting of Shareholders. The shareholders may evidence the foregoing by means of the appropriate attendance card, a certificate issued by any of the entities legally authorised to do so or by any other means permitted by Law.*
2. *At the Board of Directors' choice, attendance to the meeting of the General Meeting of Shareholders can be physical, remote-only or hybrid (i.e., combining physical attendance with an online component for remote attendees). In compliance with the requirements set out in articles 182 and 182 bis of the Law, remote attendance (including through video conference) is allowed when the Company provides the resources necessary (based on the state of technology and the Company's circumstances) to guarantee the identity and rights to attend of the shareholders and their representatives, and that attendees are able to participate (to exercise their rights in real time and to follow other attendees' discussions). For that aim, the notice of the meeting must describe the registration procedures and requirements, and provide details on how the attendance list is drawn up, as well as the deadlines, procedures and ways of exercising shareholders' rights established by the directors to ensure the meeting is conducted in an orderly manner and that this information is properly included in the minutes.*
3. *All shareholders having the right to attend also have the right to be represented at the meetings of the General Meeting of Shareholders by another person, regardless of whether this person is a member. Appointment of a proxy must be in writing and the appointment will apply only for each particular meeting, under the terms and to the extent established by Law.*
4. *Proxies are always revocable. The grantor's personal attendance at the meeting will constitute revocation.*
5. *In any event, the member may delegate or cast votes on motions under items on the agenda of any type of meeting by post, electronic correspondence or any other form of distance communication, provided that (a) the identity of the persons exercising their right to vote is properly substantiated and (b) the vote is duly registered in some form of record.*
6. *The restrictions on the power to appoint a representative established in articles 184 and 186 of the Law will not apply to the spouses, ascendants and descendants of a shareholder; nor will they apply to persons holding a general power of attorney on behalf of a shareholder, granted in a public deed, with powers to administer all of the principal's assets and liabilities in Spain."*



“Article 17 – Officers of the General Meeting of Shareholders

1. *The General Meeting of Shareholders will have a chairman and a secretary, who shall be the chairman and secretary of the of the Board of Directors; and, in the absence of those officers, others will be designated by the members in attendance at the start of the meeting.*
2. *The chairman moderates discussions during the General Meeting of Shareholders, opening the floor and deciding the duration of contributions.”*

“Article 18 – Separate voting on items

The General Meeting of Shareholders shall vote separately any substantially independent item on the agenda. Even if they are part of the same item on the agenda, the following must be voted on separately: a) appointment, ratification, re-election or dismissal of each director; b) regarding the amendment of these bylaws, each inherently separate article or group of articles; c) items that require separate voting by law (e.g., waiver of a director’s non-compete obligation under article 230.3 of the Law); and d) any items that require separate voting under these bylaws.”

- **“Article 19 – Majorities required to adopt resolutions**

1. *Unless another mandatory majority applies:*
 - a. *Corporate resolutions will be adopted by simple majority of the votes cast by the shareholders in attendance or represented at the meeting, and a resolution will be considered adopted when it obtains more votes for than against by the share capital in attendance or represented.*
 - b. *Nevertheless, to adopt resolutions provided for in article 194 of the Law, where the share capital in attendance or represented exceeds fifty percent (50), it will be sufficient for the resolution to be adopted by absolute majority. However, the affirmative votes of two-thirds of the share capital in attendance or represented at the general meeting will be required when shareholders representing twenty-five percent (25) or more but less than fifty percent (50) of the company’s share capital with voting rights are in attendance at the second call.*
2. *Under the final paragraph of article 190.1 of the Law, shareholders cannot exercise voting rights related to their shares when adopting a resolution concerning authorisation for those shareholders to transfer their shares subject to any restriction imposed by law or these bylaws or concerning their expulsion from the company.*



3. *The shares of any shareholder affected by a conflict of interest will be deducted from the company's share capital to calculate the majority of votes required in each case.*

5.5 Conditions for the transfer shares

“Article 8 – Transfer of shares

Shares are freely transferrable, subject to the applicable legal provisions.”

5.6 Scheduled date for first shareholder's general meeting and first publication of earnings figures

The Company will hold its first ordinary Shareholder's General Meeting as a listed company during the second quarter of 2024, although the precise scheduled date has not been determined at the time of writing. Notwithstanding the above, in the event an extraordinary shareholders meeting needs taking place, it will take place in advance accordingly.

Publication of the Company's earnings figures following the listing admission, corresponding to FY 2023, will be expected to be published during the first quarter 2024.

5.7 Applicable law to financial instruments admitted to negotiation

“Article 28 – Applicable Law

The Company will be governed by these bylaws and, to the extent not provided in these bylaws, by the terms of the Capital Companies Law and the other provisions of applicable law. All references to “Law” in these bylaws refer to the Capital Companies Law.”

5.8 Share based incentive plan

Virtualware plans to distribute 1.16% of the company among its employees before its technical admission on Euronext Access Paris. In total, 52,601 shares from the company's treasury stock will be distributed to employees at a reference value of six euros per share. All employees who have been with the company for more than one year will be entitled to participate in the share distribution, the total amount of which will be approximately 315,606 euros. The amount of shares



that each employee will receive will depend on their seniority in the company, and is a recognition of the effort and dedication they have shown during their work at Virtualware.

5.9 Lock-up clause

The Company has agreed to establish a lock-up clause of 90% of the founding partners shares for a period of 12 months commencing on the 18th of April 2023 and concluding on the 18th of April of 2024. The remaining 10% will function as a safety mechanism in the event of an exceptional liquidity shortage.

6.COMPANY VALUATION & FINANCIAL FORECAST

6.1 Valuation

The **Discounted Cash Flow (DCF)** and **Comparable Multiples Approach** valuation methodologies were employed for the company's valuation on the 10th of November 2022:

6.1.1 Discounted Cash Flow (DCF)

The **DCF** is a business valuation method that estimates a company value based on its ability to generate cash flows in the future (free cash flows), which are discounted to present value at a rate that is determined by the company's characteristics, its investors' risk profile and industrial conditions.

An average **cost of equity (Ke) of 10.6%** and an average **cost of debt (Kd) of 3.0%** have been taken into account in order to estimate Virtualware's weighted average cost of capital (WACC). Also, a **company-specific-risk premium of 5.2%** has been incorporated to include the company's own operating and execution non-systemic risks (company size, projects pipeline, customer base, among others). In this way, after considering the company profile, risks, capital structure and market trends, the resulting **WACC equals 14.4%**. Additionally, a **long-term growth rate (g) of 2.0%** has been assumed to estimate a terminal value beyond the forecasted period.

With these assumptions, the resulting Enterprise Value and Equity Value amounts to € 33,345,000 and € 30,907,000 respectively. This implies a fair value per share of € 6.8.

Enterprise Value

€ 33,345,000



Cash 31/12/2022	€ 162,000
Financial Debt 31/12/2022	€ 2,600,000
Equity Value	€ 30,907,000
No. Of Shares	4,542,000
FV per Share	€ 6.80

6.1.2 Comparable Multiples Approach

The **Comparable Multiples Approach** valuation method uses comparable companies' analysis through specific financial metrics and ratios to estimate a company valuation. For this purpose, a pool of 24 public companies that operate within the extended reality industry (virtual and augmented reality) has been taken into account for the market comparable analysis.

The innovation phase through which this industry is going, that may require large investments in R&D and technological updates, has a detrimental impact on profitability ratios. This makes revenue-driven valuation metrics, such as the EV/Sales, more relevant for these types of companies.



Company Name	Country	Market Cap USD \$MM	EV USD \$MM	EV / Sales LTM	EV / Sales 2023 Consensus	EV / Sales 2024 Consensus
Apple	US	2,285,007	2,248,378	5.70	5.59	5.28
Alphabet	US	1,285,555	1,198,632	4.25	3.92	3.49
Meta	US	390,629	375,334	3.18	3.08	2.76
Dassault Systemes SA	FR	48,682	48,924	9.16	7.31	6.78
Autodesk	US	46,425	47,619	9.72	9.52	8.72
Roblox Corp	US	22,356	20,815	9.40	6.32	5.52
PTC Inc	US	15,937	17,205	8.90	8.22	7.38
Snap	US	18,647	18,402	4.00	3.89	3.07
Axon Enterprise (AAXN)	US	13,909	13,554	12.65	9.83	8.27
Lenovo	HK	9,699	9,838	0.14	0.15	0.15
Unity Software, Inc	US	14,316	14,441	11.50	6.62	5.56
Entain PLC	GB	10,806	13,532	2.67	2.35	2.22
Everi Holdings, Inc	US	1,554	2,284	3.01	2.81	2.73
Matterport, Inc	US	1,012	527	4.32	3.12	2.68
ESI Group SA	FR	462	477	3.23	3.14	2.92
Tobii AB	SW	214	196	3.07	2.51	1.55
Immersion Corporation	US	237	89	2.28	2.63	ND
Oxford Metrics PLC	GB	167	85	2.65	1.90	1.69
Glimpse Group, Inc.	US	61	51	5.04	2.81	1.83
VirTra, Inc.	US	52	46	1.62	1.55	ND
Engage XR Holdings PLC	IR	17	12	3.94	1.23	0.76
Vection Technologies Ltd.	AU	52	45	3.53	2.57	ND
Pennant International Group	GB	14	20	1.05	1.06	1.06
XMReality AB	SW	5	4	1.64	1.76	1.19
Average				4.86	3.91	3.60

Virtualware's business plan for the upcoming decade relies on the success of VIROO, a digital solution that allows the development and deployment of multi-user VR applications remotely. Its revenue model is designed according to VIROO uses with specific approaches for different requirements (Subscription-based plans, specific VR deployment needs, custom developments, installation and commissioning). Even though this business plan is already ongoing, it is considered to be on initial stages therefore it makes sense to take into account a forward consensus multiple (2024e) a year in which the new plan should be fully up and running, with expected accounting sales of €7M. The average EV/Sales for the peer group for that year stands at **3.60x, which has been the one considered for valuation purposes**. Under this framework, the Enterprise Value and the Equity Value stand at € 25,108,000 and € 24,819,000 respectively, implying a fair value per share of € 5.46.

Enterprise Value	€ 25,108,000
Cash 31/12/2022	€ 461,000
Financial Debt 31/12/2022	€ 750,000

Equity Value	€ 24,819,000
No. Of Shares	4,542,000
FV per Share	€ 5.46

According to the selected methodologies, Virtualware's **Equity Value ranges from € 24,819,000 to € 30,907,000**, which implies a **fair value range from € 5.46 to € 6.8 per share**.

After performing an analysis on each methodology and its results, and assigning the relevant weights to each valuation approach the implied valuation for Virtualware's stands at **€ 27,252,000** implying a price per share of **€ 6.00**, which is the reference price used for the listing of the shares.

Valuation Approach	Weight Assigned	Estimated Equity Value
Discounted Cash Flows (DCF)	40%	€ 30,907,000
Comparable Multiples	60%	€ 24,819,000
Total Equity Value		€ 27,252,000
No. Of Shares		4,542,000
Price per Share		€ 6.00

6.2 Company's financial resources for at least twelve months after the first day trading

Cash Flow Forecast 12 Months (April 2023-April 2024)

	apr.-23	may.-23	jun.-23	jul.-23	aug.-23	sep.-23	oct.-23	nov.-23	dec.-23	ene.-24	feb.-24	mar.-24
Opening Balance, including funds.	1,132,996.43 €	1,058,722.91 €	880,153.85 €	676,047.26 €	889,650.70 €	993,179.59 €	508,750.55 €	554,703.82 €	508,688.89 €	145,701.74 €	327,960.13 €	934,467.81 €
Sales charges	475,535.07 €	217,149.77 €	350,087.27 €	734,322.27 €	474,462.27 €	97,774.77 €	513,643.77 €	321,774.77 €	75,087.27 €	675,087.27 €	749,087.27 €	675,087.27 €
Other charges	0.00 €	0.00 €	0.00 €	0.00 €	4,188.55 €	21,402.50 €	40,000.00 €	0.00 €	59,887.94 €	147,238.53 €	239,544.86 €	52,205.40 €
Personnel Payment	-289,756.13 €	-194,830.23 €	-194,830.23 €	-277,330.23 €	-181,733.33 €	-181,733.33 €	-264,233.33 €	-183,233.33 €	-181,733.33 €	-176,238.53 €	-268,984.50 €	-181,733.33 €
Purchase Payment	-166,423.86 €	-112,100.00 €	-237,100.00 €	-162,100.00 €	-112,100.00 €	-237,100.00 €	-162,100.00 €	-112,100.00 €	-237,100.00 €	-222,832.18 €	-31,851.35 €	-286,740.86 €
General Service Payment	-61,892.12 €	-57,052.12 €	-73,952.12 €	-49,552.12 €	-49,552.12 €	-146,552.12 €	-49,552.12 €	-49,552.12 €	-49,752.12 €	-49,552.12 €	-49,552.12 €	-49,752.12 €
Debt Payments	-31,736.48 €	-31,736.48 €	-48,311.51 €	-31,736.48 €	-31,736.48 €	-38,220.86 €	-31,805.05 €	-22,904.25 €	-29,376.91 €	-191,444.58 €	-31,736.48 €	-38,244.29 €
Closing balance	1,058,722.91 €	880,153.85 €	676,047.26 €	889,650.70 €	993,179.59 €	508,750.55 €	554,703.82 €	508,688.89 €	145,701.74 €	327,960.13 €	934,467.81 €	1,105,289.88 €

Source: Virtualware 2007, S.A.

- In terms of Sales Charges, Virtualware has some multi-annual contracts signed with their main customers with different type of payments, quarterly, or one shot payment, 60%



payment in advance. The cash Flow table shows the reception of these different payments according to the contract signed with them.

- Other charges make reference to the payments due to different grants that the company receives because of R+D projects that are developing. In total, this year 2023 they are managing 3 R+D local projects plus one R+D European project.
- The reason of the personnel payment's fluctuation are the taxes payment (IRPF tax) in Spain that they are done quarterly.
- Purchase payments cover all the goods and service purchases that Virtualware has to make for the development of their different customer projects and services. The fluctuations are due to the different payment prevision to their suppliers according with the different projects that the company is working on.
- In terms of debt payments Virtualware has some special loans due to R+D projects with the Spanish government. The calendar payment of this debt is annual, once per year in the month of January, the €30,000-€40,000 monthly debt payment is financial debt with different banks.

7.FINANCIAL INFORMATION

The Annual Accounts of the Company, which form a single unit, comprise these Balance Sheets, the attached Profit and Loss Account, Statement of Changes in Equity and the Annual Report.

The financial statements are prepared using the accounting records of the Company and its subsidiaries. The Directors of the company are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results, in accordance with Spanish GAAP, and in according with Law 16/2007 of 4 July, 2007 concerning the reform and adaptation of the commercial legislation in terms of accounting for its international harmonisation based on European Union legislation, Royal Decree 1514/2007 of 16 November, 2007 approving the General Accounting Plan, and Royal Decree 1159/2010 of 17 September, 2010 approving the standards for the preparation of annual accounts, in all that does not expressly oppose that set out in the commercial reform mentioned with the aim of presenting a true image of the equity, financial situation and results of the group as well as the accuracy of the cash flows included in the cash flow statement.



7.1 Balance Sheet

Audited Balance Sheet Account for Virtualware 2007, S.A. ended the 31st of December, 2022

CONSOLIDATED BALANCE SHEET AS OF 31st OF DECEMBER 2022 AND 2021

(Expressed in EUR €)

€	2021	2022
NON-CURRENT ASSETS	2,801,750	3,723,203
Intangible Assets	989,234	1,410,187
Development	32,524	-
Patents, licenses, trademarks and other	814,394	1,368,181
Software applications	142,316	42,005
Property, plant and equipment	89,014	92,621
Long-term investments in group companies and associates	-	35,297
Long-term financial investments	130,867	64,367
Equity Instruments	20,213	20,213
Loans to third parties	66,500	-
Other financial assets	44,155	44,155
Assets by deferred tax	1,592,634	2,120,730
CURRENT ASSETS	3,777,032	1,912,633
Inventories	210,241	136,780
Commercial	15,118	113,644
Ongoing products	192,342	22,470
Advances to suppliers	2,781	666
Account Receivables and others	2,757,026	1,203,148
Sales and services receivables	2,277,813	744,323
Personnel	-	-
Other receivables from Public Administrations	479,213	458,825
Short-term investments in group companies and associates	21,610	-
Short-term financial investments	283,434	398,726
Accruals	2,578	1,815
Cash and Equivalents	502,144	172,164
TOTAL ASSETS	6,578,782	5,635,638360
EQUITY	488,404	825,619



Share Capital	409,402	799,624
Capital	158,970	158,970
Reserves	1,702,531	829,372
Reserves in consolidated companies	(408,517)	(532,409)
Reserves in equity accounted companies	(23,700)	(54,903)
Own shares and equity instruments	(18,665)	-
Prior Years' Income (loss)	(578,386)	-
Last Year's Income (Loss)	(422,831)	398,595
Grants, donations and legacies received	67,254	35,227
External partners	11,748	(9,233)
Dividend Distributed	-	-
NON CURRENT LIABILITIES	1,737,349	1,869,559
Long Term Debt	1,720,704	1,196,719
Liabilities by deferred tax	16,645	8,639
Long Term Accruals		664,201
CURRENT LIABILITIES	4,353,029	2,940,658
Short Term Debt	1,502,618	1,040,207
Account Payables and others	2,850,411	1,392,269
Short term suppliers	218,745	114,819
Other Payables	756,655	443,492
Personnel	109,630	114,682
Other liabilities with Public Administrations	376,425	457,351
Client Advances	1,388,955	259,762
Short Term Accruals		508,181
TOTAL EQUITY AND LIABILITIES	6,578,782	5,635,835

Source: Virtualware 2007, S.A.

Key takeaways:

- The SaaS business model is starting to be reflected in the balance sheet with both short and long term accruals reflected in liabilities, thanks to the multi-year contracts signed with different customers.
- Recovery of equity thanks to this year's result.
- The item patents, licences, trademarks and others receives the investment in the company's product developments that they are doing in their companies: Virtualware 2007 S.A.: "Viroo Product" in 2022, they did an investment close to 600,000 € in this product. Evolv Rehabilitation Technologies: "EvolvRehab Product" in 2022 Investment of 40,000 €.



- Software applications investment is related to Virtualware's investment in system as ERP and CRM, during this year 2022, the investment in this part has been 23,880 € and the year amortization has been -124,197 €. For that reason, the 2022 Net value in Software applications is 42,005
- Long-term financial investments decreased by 51% in 2022, mainly due to the item Loans to third parties reduction. Virtualware had a loan with our subsidiary company Hermeneus World S.L. with an amount of 66.500 €. During 2022 this loan has been converted in equity at this company.
- The item Assets by deferred tax covers the tax exemption generated by the R+D activity of the company, losses accumulated, new jobs created according to the Spanish tax.
- In regards to cash and cash equivalents and the reduction presented in 2022 by a 67%, [it mainly depends on the payment received from Virtualware's customers.](#)
- Short-term and long-term debt include bank loans with: Bankinter bank, Santander bank, ICO Santander bank, ICO Sabadell bank, Caixa bank (Elkargi) and R&D loans.

7.2 Profit & Loss

Audited Profit and Loss Account for Virtualware 2007, S.A. ended the 31st of December, 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS OF 31st OF DECEMBER 2022 AND 2021

(Expressed in EUR €)

€	2021	2022
Business Total Revenue	2,820,892	3,219,375
Changes in inventories of finished goods and work in progress	(38,517)	(179,332)
Work carried out by the company for its assets	313,672	638,906
Costs of Goods Sold	(1,106,753)	(768,542)
Goods consumed	(20,651)	(146,571)
Cost of raw materials and other consumables used	(681,400)	(185,569)
Work carried out by other companies	(404,701)	(436,402)
Other Operating Revenues	507,430	541,837
Non-core and other current operating revenues	24,714	63,449
Operating grants incorporated into the result for the year	482,716	478,389
Personnel Expenses	(1,962,930)	(2,445,916)
Wages, salaries and similar expenses	(1,596,758)	(2,000,289)
Social charges	(366,171)	(445,626)
Other Operating Expenses	(536,954)	(720,152)
External services	(463,346)	(712,472)
Taxes	(6,570)	(90)



Losses, impairment and variation in provisions for trade operations	(66,282)	-
Other current management expenses	(756)	7,591
Fixed Assets Depreciation and Amortization	(259,195)	(299,200)
Grants to non-financial assets and others allocation	(96,016)	59,533
Impairment losses and gains/losses on disposal of non current assets	27	-
Other Results	-	(18,324)
Operating Income	(358,343)	28,184
Financial Revenues	13	73
Financial Expenses	(86,221)	(77,064)
Variation in fair value of financial instruments	16,597	(43,038)
Exchange Rate Differences	5,123	4,031
Impairment losses and gains/losses on disposal of financial instruments		(39,525)
Income Before Tax	(422,831)	(127,339)
Income Tax	-	525,933
Net Income	(422,831)	398,595

Income Statement (€)		2021	2022
EBITDA		(99,149)	327,384
EBITDA Margin		(4%)	10%
Adjusted EBITDA (Normalized)		(412,820)	(311,567)
Adjusted EBITDA Margin		(14.63%)	(11.91%)
Operating Margin		(12.70%)	0.88%
Net Margin		(14.99%)	12.38%

Source: Virtualware 2007, S.A.

Key takeaways:

- Increase in Business Revenue by almost 15% compared to 2021 and even surpassing the pre-pandemic Revenue
- Positive Operating Income
- EBITDA of 10% positive
- The business plan presented allows the activation of tax credits that had not been realised in 2020 and 2021, thus achieving a NET Income of 13%
- Personnel expenses have risen significantly, reflecting the increase in the workforce in order to be able to meet the expected growth



8. OTHER INFORMATION

8.1 Memorandum and Articles of Association

8.1.1 Description of the corporate purpose and objectives of the Issuer

“Article 1 – Company name

The Company’s name is Virtualware 2007, S.A.”

“Article 2 – Company purpose

- 1. The Company’s corporate purpose is: a) Software development; b) Security consultancy; c) Telecommunications systems consultancy; d) Provision of informatic services; e) Three-dimensional modelling; f) Provision of draughting services; g) Technology consultancy; h) Rental of projection systems; i) Training in technological matters. The main CNAE of the Company’s activity is 6209 (Other services related to information technologies and computing).*
- 2. The Company’s corporate purpose does not include activities that need to comply with legal requirements not satisfied by the Company. Likewise, if any law requires a professional degree or title, administrative approval, registration in any public registry, or any other requirements for the exercise of all or some of the aforementioned activities, such activities will not start until the necessary administrative requirements have been complied with and, where necessary, they will be carried out by person(s) holding the required degree or title.*
- 3. The Company may carry out the activities comprised within its corporate purpose, in whole or in part, directly or through the holding of shares of other companies that have an identical or analogous purpose.*
- 4. When carrying out its corporate purpose, the Company shall ensure that it generates a positive social impact for society, its stakeholders and the environment.”*

8.1.2 Directors Meeting

“Article 24 – Governance and functioning of the Board of Directors

- 1. The Board of Directors will be composed of at least three (3) members and a maximum of twelve (12). The General Meeting of Shareholders will decide the exact number of directors.*



2. *The Board of Directors will name from among its members a chairman, and may appoint a vice-chairman who will replace the chairman in the case of a vacancy, absence or sickness. The Board of Directors will also name a secretary, and may name a vice-secretary who will replace the secretary in the case of a vacancy, absence or sickness. The secretary may or may not be a member of the Board of Directors, in which case the secretary will have the right to be heard, but will not have voting rights. This also applies to the vice-secretary.*
3. *The Board of Directors must meet at least once every quarter.*
4. *The Board of Directors will be convened by the chairman or acting chairman. Directors representing at least one-third of the members of the Board of Directors may convene the board, setting out its agenda, to meet in the municipality where the Company's registered office is located, if the chairman, once requested and without a justified reason, does not convene the board within a month.*
5. *The notice calling the meeting will be delivered by letter, telegram, fax or any other written or telematic way. The notice will be addressed personally to each director at least three (3) days prior to the calling of the meeting. A meeting of the Board of Directors without notice will be valid if all members of the board are present and unanimously agree to hold a meeting.*
6. *Unless other mandatory majorities apply, the Board of Directors will be validly constituted when at least the absolute majority of its members are present, whether in person or represented by proxy. If composed of an uneven number of directors, the absolute majority of the directors will be determined by default (for example, 2 directors must be present on a board of directors composed of 3 members; 3 on a board composed of 5 members; 4 on a board composed of 7 members).*
7. *Resolutions may be passed validly by the Board of Directors at meetings held using videoconference, conference call or any equivalent system, provided always that the necessary technical means are available and that the directors recognize each other. In such event, the meeting of the Board of Directors will be considered to have been held at the Company's registered office.*
8. *A director may only be represented by another director at the meeting of the Board of Directors. Proxies must be appointed in writing and addressed to the chairman.*
9. *The chairman will call meetings to order and direct the deliberations on all business to come before the board, having the power to open the floor and to give board members information and reports on the Company's status.*



10. *Unless other mandatory majorities apply, resolutions will be adopted by an absolute majority of the directors present at a meeting. If an uneven number of directors attend a meeting, an absolute majority will be determined by default (for example, 2 directors in favour if 3 members are present; 3 directors in favour if 5 are present; 4 directors in favour if 7 are present).*
11. *Resolutions adopted by written resolution without a meeting will be valid if no board member opposes such a procedure.*
12. *Discussions and resolutions adopted by the Board of Directors will be entered into a minutes book.*
13. *Without prejudice to any powers of attorney granted to an individual, the Board of Directors can appoint from among its members one or more managing directors or executive committees, establishing the content, restrictions and types of delegation. The permanent delegation of authority by the Board of Directors to an executive committee or to one or more managing directors, and the appointment of the director or directors that will hold this office, requires the affirmative vote of at least two-thirds of the members of the board of directors, and it will not become effective until it has been entered on the Commercial Registry.”*

8.1.3 Supervisory Body

“Article 12 – Bodies of the company

The governing bodies of the Company are:

- a) *The General Meeting of Shareholders.*
- b) *The Board of Directors.”*

“Article 20 – Company’s administration body

The Company will be managed by the Board of Directors.”

8.1.4 Description of rights, privileges and restrictions attached to the Shares

“Article 9 – Usufruct of shares

If any of the shares become subject to usufruct, the shareholder rights will belong to the bare owner but the usufructuary will have the right to any dividends declared by the Company during the term of the usufruct. The usufructuary will be obliged to facilitate the bare owner the exercise of his/her



rights. Relations between the usufructuary and the bare owner will be governed by the provisions of the title establishing the usufruct and, if there are no provisions, by the Law and, supplementarily, by the Civil Code (or applicable civil law)."

"Article 10 – Pledge of shares

1. *If shares become subject to any pledge, the shareholder rights pertaining to such shares will be exercised by the owner of the shares. The pledgee will be obliged to facilitate the exercise of those rights.*
2. *If the owner of the shares breaches the outstanding disbursement obligation, the pledgee creditor will have the right to perform such obligations or exercise its pledge rights."*

"Article 11 – Seizure of shares

In case of seizure of the shares, the terms of article above will apply to the extent they are compatible with the specific regime governing the seizure."

8.1.5 Description of the conditions for convening annual general meetings and general meetings and extraordinary including the conditions of admission

"Article 14 – Authority to convene

1. *Meetings of the General Meeting of Shareholders shall be called by the Board of Directors or, as the case may be, by the liquidators. The Board of Directors shall convene the General Meeting of Shareholders whenever it deems necessary or convenient for the interests of the company and, in any case, on the dates or during the periods determined by Law.*
2. *It must also convene it when requested by one or more shareholders representing at least five (5) per cent of the share capital, stating in the request the matters to be discussed at the meeting. In this case, the general meeting must be called to be held within two (2) months of the date on which the governing body was requested by notary to convene it, and the agenda must necessarily include the matters that were the subject of the request.*
3. *With regard to the convening of the General Meeting of Shareholders by the court clerk or commercial registry, the provisions of the Law shall apply."*

"Article 15 – Convening and constitution



1. *The convening will be made by announcement published on the corporate website, in the manner and with the content provided for in the Law.*
2. *The announcement of the calling shall state in any case: (i) the Company's name, and the date and time of the meeting, (ii) the agenda, setting out the business to be dealt with, and (iii) the title of the person(s) sending the convening. Likewise, the date on which, if applicable, the general meeting will be convened in the second call may be recorded.*
3. *The meeting of the General Meeting of Shareholders will be held in the municipality where the Company's registered office is located. If the convening does not specify the place where the meeting of the General Meeting of Shareholders is to be held, it will be understood to be convened at the Company's registered office.*
4. *There must be a period of at least one (1) month (or two (2) months in the event of an international transfer of the registered office) between the call to the General Meeting of Shareholders and the date set for the meeting to be held.*
5. *Shareholders representing at least five percent (5) of the share capital may request publication of a supplement to the convene for a meeting of the General Meeting of Shareholders, with one or more agenda points. This right will be exercised through irrefutable notice that must be received in the registered office within five (5) days of the date the call is published. The supplement to the convene will be published at least fifteen (15) days before the date set for the general meeting.*
6. *Unless another mandatory quorum for constitution applies, the general meeting will be validly constituted on first call, if shareholders holding at least twenty five percent (25) of the Company's subscribed voting shares are present or represented. The meeting will be validly constituted on second call with the attendance of any shareholders. However, to pass a resolution affecting issues referred to in article 194 of the Law, at least fifty percent (50) of the subscribed voting shares must be present or represented on the first call and at least twenty five percent (25) on the second call.*
7. *Notwithstanding the above, a universal general meeting can be constituted to deal with any business with no need for advance notice, as long as the holders of all of the Company's capital stock attend or are represented and those that attend unanimously agree to hold a general meeting. A universal general meeting may be held anywhere in Spain or abroad."*

"Article 19 – Majorities required to adopt resolutions

1. *Unless another mandatory majority applies:*



- a. *Corporate resolutions will be adopted by simple majority of the votes cast by the shareholders in attendance or represented at the meeting, and a resolution will be considered adopted when it obtains more votes for than against by the share capital in attendance or represented.*
 - b. *Nevertheless, to adopt resolutions provided for in article 194 of the Law, where the share capital in attendance or represented exceeds fifty percent (50), it will be sufficient for the resolution to be adopted by absolute majority. However, the affirmative votes of two-thirds of the share capital in attendance or represented at the general meeting will be required when shareholders representing twenty-five percent (25) or more but less than fifty percent (50) of the company's share capital with voting rights are in attendance at the second call.*
2. *Under the final paragraph of article 190.1 of the Law, shareholders cannot exercise voting rights related to their shares when adopting a resolution concerning authorisation for those shareholders to transfer their shares subject to any restriction imposed by law or these bylaws or concerning their expulsion from the company.*
3. *The shares of any shareholder affected by a conflict of interest will be deducted from the company's share capital to calculate the majority of votes required in each case."*

8.1.6 Description of any statutory provisions that could have the effect of delaying, deferring or preventing a change in the control structure of the Issuer

"Article 22 – Term of office of director

1. *Directors will be appointed for six (6) years. This period is the same for all directors, without prejudice to any re-election or the power of the general meeting to dismiss a director at any time in accordance with the provisions of the Law.*
2. *If a vacancy arises during a director's appointment, and no substitute is appointed, the Board of Directors can designate from among the shareholders a person to fill this vacancy until the next meeting of the General Meeting of Shareholders."*

"Article 27 – Dissolution and liquidation

1. *The Company will be dissolved on for the reasons and in accordance with the rules established in articles 360 and following of the Law.*



2. *The persons who were directors at the time of dissolution will be the Company's liquidators, unless the General Meeting of Shareholders passes a resolution to appoint others when it adopts the resolution approving the dissolution of the Company.*
3. *The liquidators will hold office for an indefinite period."*

8.2 Ongoing Obligations

In accordance with Euronext Access Rule Book, the next Ordinary Shareholders' meeting following the Technical Admission will be held during the second quarter in 2024, in order to resolve upon the approval of the financial statements for the financial year ended on 2023.

Website

An Issuer shall maintain an up-to-date website containing general information on its operations, governance and contact details. In accordance with the Market Abuse Regulation an Issuer shall post inside information on its website.

Accounting Standards

An Issuer must establish its accounting standards in accordance with the accounting standards of IFRS for consolidated accounts and local GAAP for individual accounts without prejudice to the National Regulations. An Issuer must publish on its website its annual financial statements in accordance with National Regulations timetable. In case no publication is foreseen in local rules and regulation, financial statements shall be published before the end of the first semester of the following year.

Report of changes

An Issuer shall report to Euronext the changes to its senior executive's team (managers with the power to take managerial decisions affecting the future developments and business prospects of the issuer) and the composition of its board as well as any changes to its Beneficial Owners to be made public in accordance with the Market Abuse Regulation as soon as the Issuer becomes aware of it. This information shall be sent to Euronext as soon as it is disclosed on the website.

Annual Certificate



An Issuer shall provide Euronext in December of each year a certificate in the form prescribed by Euronext confirming – among other things – that it has and will comply with the Market Abuse Regulation and that the changes in the management, board composition and shareholders have been duly notified to Euronext. This provision does not apply to Issuers that are admitted to trading on a Regulated Market or on another organised market subject to equivalent standards as determined by Euronext.

Corporate action

Each Issuer shall inform Euronext of events affecting Securities that Euronext deems necessary to run a fair, orderly and efficient market. The relevant information shall be provided to Euronext in due time before the event affecting the Securities or the relevant corporate action, so that Euronext may take any appropriate technical measure. The events covered by this provision include the corporate actions as referred to in Article 61004/2 of Euronext Rule Book I.

Application of new securities

An application for admission to trading must cover all the Issuer's Securities of the same class issued at the time of the application or proposed to be issued for the admission planned. When additional Securities of the same class as Securities already admitted to trading are issued, application for admission to trading of such additional Securities shall be made: (a) as soon as they are issued in the case of a Public Offer of the Securities; and/or (b) no later than ninety (90) days after their issue in cases other than Public Offer.

Legal Entity Identifier

An Issuer shall take all necessary measures to have its LEI for as long as its Securities are admitted to trading on Euronext Access.



9.LISTING SPONSOR

SOLVENTIS S.V, S.A.

Address: Paseo de la Castellana nº 60, 4th right floor– 28046, Madrid, Spain

Telephone: +34 932 00 95 78

Web: <https://www.solventis.es/es/>

VIRTUALWARE 2007, S.A. designated SOLVENTIS S.V., S.A. as a Listing Sponsor in order to lead the incorporation to Euronext Access of the Issuer. It was authorised by the Euronext Listing Board on the 27th of July 2022.

Solventis is domiciled in Paseo de la Castellana nº60, 4th right floor, 28046, Madrid, Spain, registered in the Mercantile Registry, with Identification Code: A63593552. It is represented in this operation by Mr. Mariano Colmenar, Managing Partner of the firm.

Solventis is represented by a multidisciplinary team of professionals with high experience in security issuance and overall capital markets activities both in public as well as in private markets. No other consultants concur in the incorporation process or in the preparation of this information document.

CONFIDENTIALITY NOTICE

All the information contained in this document is confidential. It has been provided to you solely for your possible investment. For 2 years from the date of access to this document, you are obliged to: I. Maintain the Information in strict confidentiality, i.e. not to transmit it (in whole or in part) to any natural or legal person. This information shall not be transmitted to any other person or entity except with prior authorisation or in cases where its disclosure is legally required, in which case you shall immediately inform the company concerned. II. Use the Information exclusively for the purpose of studying its participation in the Project.



NOTICE

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