VIRTUALWARE

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ACQUISITION OF VIRTALIS HOLDINGS LIMITED

August 2026

EXECUTIVE REPORT ON THE FULL ACQUISITION OF VIRTALIS HOLDINGS LIMITED BY VIRTUALWARE 2007 SA.

Virtualware 2007, S.A. (EPA: ALVIR)

Extraordinary General Shareholders Meeting - September 2026

Virtualware is fulfilling its mission of building a European champion in industrial software for the high-stake, nuclear, defence and education industries, combining simulation, real-time 3D visualization, and immersive technologies to **help organizations design, validate, train and operate complex systems**.

Transaction summary.

Virtualware has agreed to acquire 100% of Virtalis Holdings Limited, a Manchester, UK leader in the real-time 3D software fot the industry.

Virtualware will pay five million euros, plus a variable component linked to Virtalis's operating results in 2026 and 2027. The transaction is to be funded through a combination of commercial debt and own cash, approximately 70/30, with **no shareholder dilution**: EUR 3.6M new loan at 5%, straight-line amortisation of EUR 720k per year.

The transaction has been cleared by the Cabinet Office of the UK under "National Security and Invest Act 2021" in May 2026. SPA signed August 2026, and to be approved within 30-day period by the AGM. Completion expected in September 2026.

Virtalis at a glance.

FOUNDED

Founded in 2003, headquartered in Manchester, United Kingdom, with more than three decades of experience in virtual reality and real-time 3D software

MAIN PRODUCT

Visionary render: Real-time visualisation software to interact with large-scale 3D models and complex datasets

FY2026 (Preliminar)

FY2026, year ended June: EUR 4M revenue, EUR 1.3M reported EBITDA, 19 employees

CUSTOMERS

20+ years of experience servicing strategic national interest clients in the industrial and defence sectors

published by Virtalis on their site (www.virtalis.com)

VIRTALIS

www.virtalis.com

Transaction rationale.

1 Growing with an increased focus

Virtualware earns the right to accelerate its growth within Europe most critical strategic fields.

The transaction brings together two profitable, highly compatible, product-led companies of comparable scale.

2 United Kingdom, source of revenue and IP

Most of Virtalis' revenue comes from the United Kingdom, accounting for 80% of its revenue.

Resulting company will derive its revenues from the United Kingdom, the European Union, Canada and the United States.

The resulting company will maintain Operations in Manchester.

3 Two complementary companies

Complementary technology with no overlap and able to be deployed together to generate greater added value.

Complementary client bases with no material overlap, so cross-selling starts from a clean base in both directions

Virtualware is set to become an EU/UK industry champion servicing nuclear, defence and professional industries and interests.

€2.5m	€10m	71	3
Proforma* EBITDA	Proforma* Revenues	People	Proprietary Software platforms

The new Virtualware will be in a position to offer a nearly complete solution for the industry's needs at a European level from a secure, sovereign, financially healthy position

* Estimated pro forma based on projected data for the 2026 calendar year

Adding Visionary Render to the product portfolio.

VisRen joins Virtualware's product family alongside VIROO and Simumatik.

Visionary Render is **a real-time visualisation software** that allows users to interact with large-scale 3D models and complex datasets. It's designed for high-performance visualisation.
Used for design reviews, training, plant layout planning and maintenance: embedded in daily engineering work, not a pilot tool.
Native CAD and PLM integration, real-time global 3D collaboration, ergonomics simulation at 1:1 scale.
Documented client ROI: faster time to market, construction cost savings, avoidance of rework

VIROO

XR platform for immersive collaboration. Designed to enable organizations to securely create, deploy, manage, and scale immersive experiences across distributed environments.

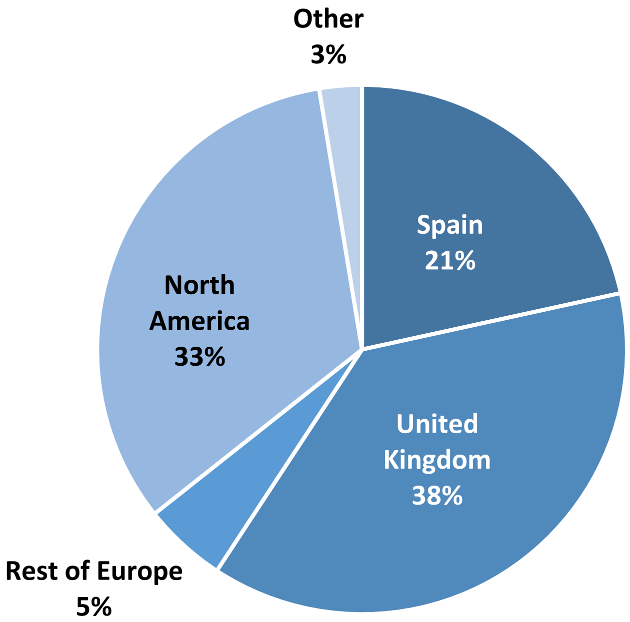
SIMUMATIK

Cloud-based digital twin and emulation platform. Engineers design, test, and validate machines and automation systems virtually — before anything is built on the factory floor.

UK becoming the company’s largest market.

After the transaction, the UK will be become the group's largest single market, at 37.7% of aggregate revenue.

Revenue generated outside Spain (UK-North America) rises from 54% to 78% of the total.



Growing financially at an encouraging pace.

€'000	2026E before acquisition	Proforma After Acquisition*
Revenue	5,790	10,000
Recurrent Revenue	3,020	5,500
Recurrent %	53%	55%
EBITDA	1,270	2,500
EBITDA Margin	22%	25%

* Estimated pro forma based on projected data for the 2026 calendar year

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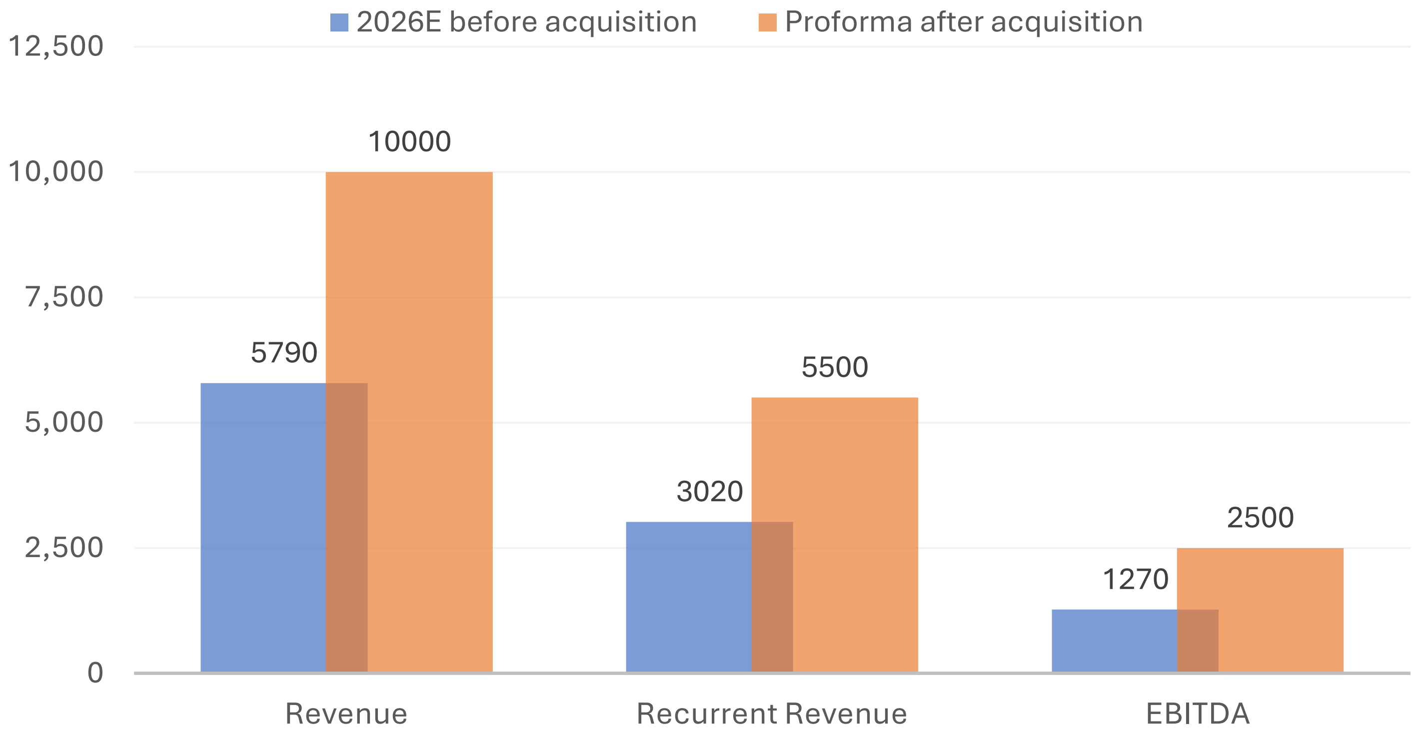

Bringing together two client bases made up of leading names in defence, energy, industry and education.

There is little overlap between the two rosters, so each company's technology can now be offered to the other's clients. The combined group serves tier-one organizations across defence, aerospace, energy, nuclear, critical infrastructure and industry.

These are sectors with long procurement cycles and growing budgets, with European defence the clearest case. For Virtualware, that means a larger footprint in these accounts and a higher share of recurring, multi-year revenue.

Maintaining and strengthening operations in UK.

Maintain and strengthen Virtalis's operations in the United Kingdom, with Manchester continuing as the UK base.

Ensure Virtalis clients continue to receive the same level of service.

Build on what Virtalis has developed over more than three decades.

Group headcount grows from 52 to 71, around a third larger, with no site consolidation planned.

Engineering centres are maintained in Bilbao, Manchester and Skovde, with offices in Orlando and Toronto.

Precedent: following the Simumatik acquisition in October 2024, the Skovde operation was maintained and the team integrated into the group.

Virtalis is the right asset for Virtualware.

TECHNOLOGY	CLIENTS	PRICE
Proprietary technology that complements, enhances the company's existing portfolio.	Tier-one industrial, aerospace and defence relationships built over three decades	The EUR 5.0M fixed payment represents approximately 3.8x FY26 Preliminar EBITDA

What this delivers.

1 For Virtualware

Revenue and EBITDA nearly double, reaching approximately EUR 10M and EUR 2.5M, respectively.

The United Kingdom becomes the group's largest market, with revenue generated outside Spain rising from 54% to 78%.

A broader recurring revenue base, with financial leverage remaining below 2x pro forma EBITDA.

2 For customers

A single integrated environment instead of separately procured point solutions, ensuring service continuity supported by a larger combined engineering and support organization.

Access to the other company's products through existing commercial relationships.

A larger, profitable supplier that lowers vendor risk on long-cycle industrial and defence programs.

3 For the industry

Creates one of the largest European groups specialized in immersive visualization and digital twin technology for industry.

Maintains critical industrial visualization technology under European ownership in key sectors where this matters: defence, nuclear, critical infrastructure, and energy.

A combined R&D capacity accelerates the product roadmap for the entire client base, avoiding duplicate development across two sub-scale competitors.

Approvals and timeline.

01	**NSIA Clearance obtained**	**May 2026**
02	**SPA Signed**	**August 2026**
03	**EGM Approval**	**September 2026**
04	**Completion**	**September 2026**

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