

The Glimpse Group Issues CY'21 Summary Shareholder Letter

CY'21 Marked by Nasdaq IPO, Strong Organic Revenue Growth, Strategic Acquisitions, Significant Customer Traction, Fortified Balance Sheet and the Recognition of the Metaverse

NEW YORK, NY / ACCESSWIRE / December 27, 2021 / [The Glimpse Group](#), Inc. ("Glimpse")

[\(NASDAQ:VRAR\)](#)(FSE:9DR), a diversified Virtual Reality ("VR") and Augmented Reality ("AR") platform company providing enterprise-focused VR and AR software and services solutions, today issued a letter to shareholders from its President & CEO, Lyron Bentovim, summarizing key Glimpse developments for Calendar Year ("CY") '21.

Dear Shareholders:

Reflecting on CY '21, there is much to look back on with a sense of pride and accomplishment, highlighted by our Nasdaq IPO on July 1, 2021, tier-1 customer engagements, strong organic revenue growth, strategic acquisitions and a follow-on investment. For context, we established Glimpse five and a half years ago as a concept with the vision of a platform company that will cultivate companies in the emerging VR/AR industry and build a robust ecosystem with a wide IP portfolio. In an emerging industry with little infrastructure, we simplify the challenges our subsidiary companies face, create scale, cost efficiencies and go-to-market synergies rarely seen in early-stage industries. We believe that this significantly increases our subsidiary companies chances of success, mitigates risks related to an early stage industry and creates a viable and diversified investment platform. Today, to our knowledge, Glimpse is the only Nasdaq-listed pure play, diversified, enterprise focused AR/VR software and services company.

Now, more than ever, we see a clear trend towards an increasingly connected world through immersive technologies and, with that, the need for the enterprise focused AR and VR solutions that Glimpse's subsidiary companies are developing and delivering. In parallel to our strong organic growth, we are continually seeking to add accretive, high-quality companies that will expand us into new industry segments and geographies, increase our scale, further diversify and deepen our ecosystem while enhancing and strengthening our market position.

Link to Full Video: <https://player.vimeo.com/video/659724713>

To that end, we completed three strategic acquisitions this year - Auggd in the Architecture, Engineering and Construction (AEC) space, XR Terra in the immersive technologies talent development segment and, most recently, entered into a definitive agreement to acquire Sector 5 Digital, a leading and award-winning immersive technologies company, with a first-tier customer base including the likes of American Airlines, BAE Systems, Ecolab, Halliburton and Textron Systems among others. This acquisition approximately doubles Glimpse's pre-acquisition annual revenue, significantly improves business, operating and financial scale while generating compelling go-to-market synergies across Glimpse's diverse ecosystem. This acquisition is scheduled to close in Q1 CY '22 and is expected to put Glimpse on a potential \$10 million revenue run rate as we enter CY '22. At this level of revenue, and combined with over 100 VR and AR software developers, engineers and 3D artists, we believe that Glimpse is one of the largest independent enterprise VR/AR software and services companies.

We experienced significant customer traction as companies across diverse industries increasingly adopt VR/AR technologies to enhance their products, operations and services. Some recent examples include:

- In Healthcare, we entered into a 5-year software and services contract with Boston Medical Center, a large health system in New England, to develop and implement VR experiences for practitioners to learn and practice decision-making and problem-solving skills for maternal health emergencies; For North-Star Care, a provider of tele-health medical addiction treatment, we are developing VR experiences and tools to support their substance use disorder program.
- In Education, Nova Southeastern University deployed two VR experiences that engage students in financial literacy and practical auditing skills training; Edstutia engaged with Glimpse as their partner to build a first of its kind VR higher education campus; Avenues - The World School and Temple University extended their agreements for use our technologies across their global campuses.
- In Retail and Branding, we became a preferred AR partner of SNAP and are doing significant work providing business focused AR lenses.
- Entered into a Master Services Agreement and Statement of Work with a leading global social media and metaverse company for a \$1.0 million AR software and services contract, which is expected to be delivered over the coming months

This is just a short and partial list. Along with additional customers in social media, construction and design, restaurant and retail, financial services and others, we are building market share across these dynamic industry verticals. This has translated into significant revenue growth in CY '21.

One of the advantages of immersive technologies is that they allow us to visualize anything and everything, from buildings that have not yet been built, to products we don't have in our hands, all the way to visualizing complex data in new insightful ways. The end game for immersive technologies is the Metaverse. While still in infancy, the Metaverse has the potential to bring into life a new dimension, dramatically changing the way we work and play. In time, the Metaverse will open up a new 3D digital world, enabling work in virtual offices, travel to virtual worlds, learning in virtual schools and shopping in virtual stores. We believe that Glimpse is positioned to play an enabling role in the development of the Metaverse as it evolves from its concept to a business reality, and as other emerging technologies, AI, computer vision, blockchain, potentially coalesce with VR and AR over time. A wide array of other industry giants - such as Microsoft, AMD, Nvidia, Dropbox and Match Group - have also announced metaverse plans, raising awareness and interest in the potential of immersive technology. We believe that all these participants will significantly propel the industry forward and serve as a strong accelerant, are complementary and beneficial to Glimpse and in alignment with our vision of becoming the premier software and services VR/AR company in the evolving metaverse landscape.

On that note, opportunity arose a few months ago following Facebook's rebranding to Meta which triggered a surge in awareness of immersive technology. By acting quickly, we were able to capitalize on this momentum to further strengthen our balance sheet in a \$15 million private placement with institutional investors, structured in a healthy way and at an approximately 43% premium to our IPO price of \$7.00/share and warrants priced at approximately 110% premium to our IPO price. We end the year with over \$25 million of cash on our balance sheet and no material liabilities.

We believe that the immersive industry will be global, touching almost every industry and country. As part of our goal to establish a global footprint, we established Glimpse locations in Turkey and Australia and extended our securities trading presence to Germany, where we are now trading on several exchanges (including the Frankfurt exchange, one of the largest electronic exchanges in the world), facilitating a streamlined trading presence in Europe and utilizing our Nasdaq common share float.

Our patent strategy is to capture very wide and far-reaching concepts with significant potential as the industry matures. In this regard, we added to our IP portfolio with the issuance of two additional patents this year bringing the total to 5 issued patents. We have an additional eight patents previously filed and in process, with more patents expected to be

filed in CY '22. Along with our IP growth, we are partnering with some of the industry's leading players to jointly develop technologies and products that we expect will breathe life into the Metaverse. For example, with D-ID, a leader in AI driven creative media, we are collaborating to harness AI-powered synthetic media with the visual power of VR/AR to enhance viewing and interaction in the Metaverse.

While we accomplished much this year, there is plenty of work ahead to nurture the growth of this nascent industry as we continue on our journey to become the premier software and services company in the industry. Looking to CY '22 and beyond - with a fortified and clean balance sheet, strong organic revenue growth, a controlled cost structure, increasing scale, positive fundamentals and the potential for further accretive acquisitions - we are well positioned to capitalize on the significant growth opportunities ahead of us.

I greatly appreciate your support and interest.

Thank you and Happy Holidays,

Lyron L. Bentovim
President & Chief Executive Officer

About The Glimpse Group, Inc.

The Glimpse Group (NASDAQ: VRAR, FSE: 9DR) is a diversified Virtual and Augmented Reality platform company, comprised of multiple VR and AR software & services companies, and designed with the specific purpose of cultivating companies in the emerging VR/AR industry. Glimpse's unique business model simplifies challenges faced by VR/AR companies and creates a robust ecosystem, while simultaneously providing investors an opportunity to invest directly into the emerging VR/AR industry via a diversified platform. For more information on The Glimpse Group, please visit www.theglimpsegroup.com.

Safe Harbor Statement

This press release does not constitute an offer to sell or a solicitation of offers to buy any securities of any entity. This press release contains certain forward-looking statements based on our current expectations, forecasts and assumptions that involve risks and uncertainties. Forward-looking statements in this release are based on information available to us as of the date hereof. Our actual results may differ materially from those stated or implied in such forward-looking statements, due to risks and uncertainties associated with our business. Forward-looking statements include statements regarding our expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "view," "could," "estimate," "expect," "intend," "may," "should," and "would" or similar words. All forecasts are provided by management in this release are based on information available at this time and management expects that internal projections and expectations may change over time. In addition, the forecasts are entirely on management's best estimate of our future financial performance given our current contracts, current backlog of opportunities and conversations with new and existing customers about our products and services. We assume no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise.



Glimpse Contact:

Maydan Rothblum

CFO & COO

The Glimpse Group, Inc.

917-292-2685

maydan@theglimpsegrou.com

Investor Relations:

Mark Schwalenberg, CFA

Director

MZ Group - North America

312-261-6430

Glimpse@mzgroup.us

www.mzgroup.us

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