



Updated strategy drives customer growth and cost reductions at XMReality

2023 has been a year of record strong customer growth for XMReality as a result of an adjusted sales strategy, and the company has recently implemented several cost savings totaling SEK 20 million on an annual basis. The strategy adjustment and the associated cost reduction aim to reach the goal of positive cash flow in 2024.

Adjustment of the sales strategy was initiated in the spring of 2023, and part of it is lowering entry thresholds for new customers by starting with a smaller number of licenses. The focus lies on customers with a long-term strategy for remote guidance and a plan right from the start to grow their usage and the number of licenses. It has proven to be a successful model as several of the new customers added in 2023 have already expanded their use after a few months and added new business areas or new companies within the same group.

One example is Middleby Corporation in the US, which, through its 120 subsidiaries, has a turnover of SEK 40 billion and is a world leader in commercial solutions for kitchens and restaurants. During the year, Middleby expanded its use from one to four subsidiaries, and dialogues are ongoing with many more who have seen the value creation that the introduction of XMReality's solution entailed.

"We are very satisfied with the adjustment we made to the sales strategy and the positive response we get from our customers. Going into 2023, our goal was to increase the use of our solution among our existing customers, while at the same time, we wanted to shorten the sales process towards new customers. Which we are now seeing the results of." says Andreas Jonsson, CEO at XMReality.

As part of the overall strategy, the company will reduce its costs by approximately SEK 20 million on an annual basis. Most of the cost savings have been implemented, with some ongoing that will take effect during 2024. The savings partly include product development, as several large investments have been made to have more efficient operation and development going forward with a smaller development team. The adjusted strategy for sales also contributes to lower acquisition costs for new customers.

"The increase in customers combined with our cost savings provides confidence in 2024 and our goal of becoming cash flow positive. Several large customers who came in during the pandemic lacked a long-term plan for using XMReality's solution. They have successively scaled back the number of licenses after the pandemic, which has corresponded to our new sales, and thus, our ARR has been more or less flat. The new customers we are taking on now start small but with the goal of scaling over time, which means we are in a very strong position for future growth. We have several important investments behind us in the product, the right team in place in the US, and a more efficient and less expensive sales process." Andreas Jonsson sums up.

For more information, please contact:

Andreas Jonsson, CEO XMReality

Phone: +46 70 724 03 29

E-mail: andreas.jonsson@xmreality.com

About XMReality Remote Guidance™

XMReality Remote Guidance is an AR-enabled knowledge sharing tool that lets you communicate with gestures, speech, chat and pointers with someone at a completely different place. It includes:

- A unique hands-overlay technology that lets you guide someone else's hands—as if you were there.
- A web portal to manage teams and users, and to measure usage
- Integration through client-side API's (Application Programming Interfaces)

About XMReality

XMReality AB (publ) develops and sells solutions that revolutionize knowledge transfer through so-called Augmented Reality (AR). The company is a market leader in remote guidance where you guide a person on site via AR to solve problems or prevent them from occurring. The product is used globally in more than 60 countries. Nestlé, Electrolux, Sidel, Heineken and Saab are examples of the more than 135 customers. XMReality is based in Linköping and in the U.S. and is listed on the Nasdaq First North Growth Market (ticker: XMR). For more information, visit: www.xmreality.com