

# VirTra

*The World's Most Effective and  
Advanced Training Simulator  
Systems*

**INVESTOR  
PRESENTATION**

NADAQ: VTSI  
November 2023

# Forward Looking Statements

*This presentation contains or incorporates by reference certain forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “potential,” “intend,” “expect,” “outlook,” “seek,” “anticipate,” “estimate,” “approximately,” “believe,” “could,” “project,” “predict,” or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth or anticipated in our forward-looking statements. Factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, funds derived from operations, cash available for dividends, cash flows, liquidity and prospects include, but are not limited to, the factors referenced in this report, including those set forth below.*

*When considering forward-looking statements, you should keep in mind the information set forth under “Risk Factors” included in VirTra, Inc.’s annual report on Form 10-K for the year ended December 31, 2022, other cautionary statements in the annual report, and information contained in subsequent filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this presentation. Our actual results and performance to differ materially from those set forth or anticipated in forward-looking statements. We cannot guarantee future results or performance. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this presentation, whether as a result of new information, future events or otherwise.*

# About VirTra

- VirTra provides the **world's finest training simulators** for the law enforcement and broader defense industries
- We **safely & cost-effectively** replicate the stress & uncertainty of real-world confrontations
- **Our mission** is to teach first responders how to de-escalate a potentially violent situation
- And how to respond with appropriate force when necessary to increase both **police *and* civilian safety**

## By the Numbers



**\$36.6 Million**

in Revenue (TTM ending  
September 30, 2023)



Deployed in  
**Hundreds of Agencies**  
in **40** Countries



**\$16 Million**

Backlog as of  
September 30, 2023



**95%+**  
Customer Retention

# Police Training Is Needed & Supported

# 68%

*of Americans support additional training for police <sup>(1)</sup>*



*“A solid **majority** of Americans **approve** of de-escalation training even though most believe police officers use appropriate force and have integrity.” <sup>(1)</sup>*

(1) Ekins, Emily. “Policing in America: Understanding Public Attitudes Toward the Police. Results from a National Survey.” *Cato Institute*, 7 Dec. 2016, [www.cato.org/survey-reports/policing-america](http://www.cato.org/survey-reports/policing-america).

# Current Methods Are Insufficient or Too Expensive



## Classroom/Academics/Online

- Knowledge does not equal performance



## Simunition® Training with Actors

- Expensive, time consuming
- Very limited de-escalation training
- No debrief or review ability



## Shooting Range/Live Fire

- No decision-making involved
- No stress
- Expensive (\$0.90 - \$1.60/round vs. \$0.02 w/ VirTra)

## WHAT'S NEEDED?



Effective Training via Reviewable & Repeatable Scenarios



Safely Induced Stress



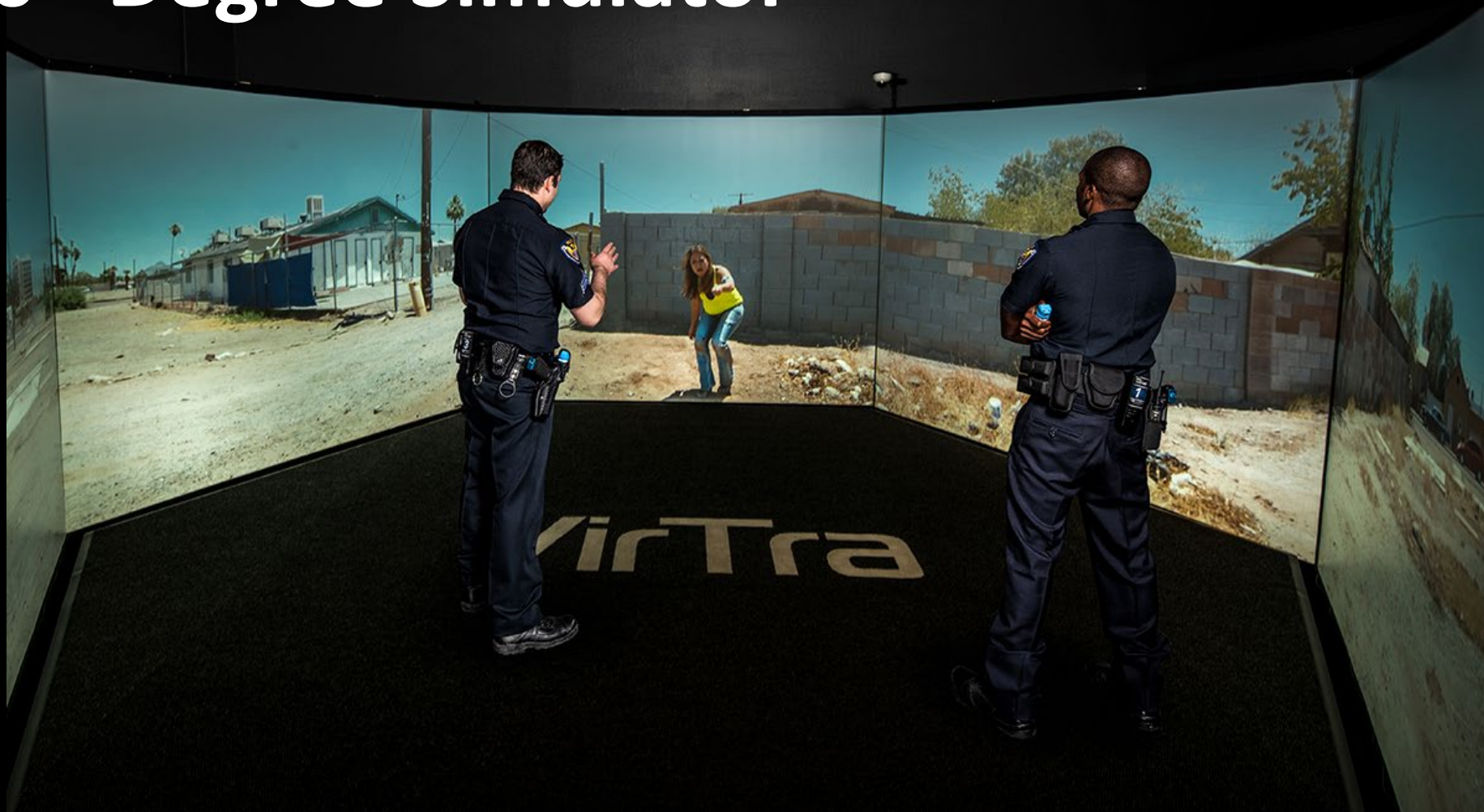
Quick Decision Making – Life/Death



*Current headlines underscore the need for effective police training*



# V-300<sup>®</sup> Degree Simulator





## V-100®

- Single-screen simulation training



## V-180®

- 180-degree immersive training environment











## V-ST PRO®

- Shooting and skills training simulator
- Up to 5 screens
- 1 to 30 lanes of marksmanship



# Industry-Leading Accessories



User Input	↔	System Feedback
Firearms & TASER		Threat-Fire®
 <b>Realistic</b> firearms parts swapped for simulation		 <b>Patented</b> technology delivers adjustable electric impulse
 Trainees use the weapons they carry every day		 Simulating hostile return fire changes <b>Effectiveness</b>
 <b>Wide-selection</b> of supported makes and models		 <b>Skin-in-the-Game</b> increases stress & physiological response



# V-VICTA Curriculum

VirTra – Virtual Interactive Coursework Training Academy™

- Nationally recognized, certified curriculum and interactive virtual coursework
- Meets standards set by **IAILEST** National Certification Program™ for POST certification in **35** states



Human Factors in  
Force Encounters



Contact & Cover  
Concepts



Injured Officer  
Handgun  
Manipulation



Tourniquet  
Application Under  
Threat



TASER Targeting



High-Risk Vehicle  
Stop



Autism Awareness  
& Mental Crisis



K-9 Encounters

# Law Enforcement Market

## Domestic

- **\$650 million TAM** (6,500 larger U.S. agencies<sup>(1)</sup>)
- Currently serving hundreds of domestic agencies
- STEP – potential to expand to all 18,000 U.S. agencies

## International

- Currently in 40 countries internationally

## Notable Existing Deployments

### Domestic

AZ Dept. of Public Safety  
Denver Police Dept.  
New Jersey Transit Police  
L.A. County Sheriff's Dept.  
San Francisco Police Dept.  
Anaheim Police Dept.

### International

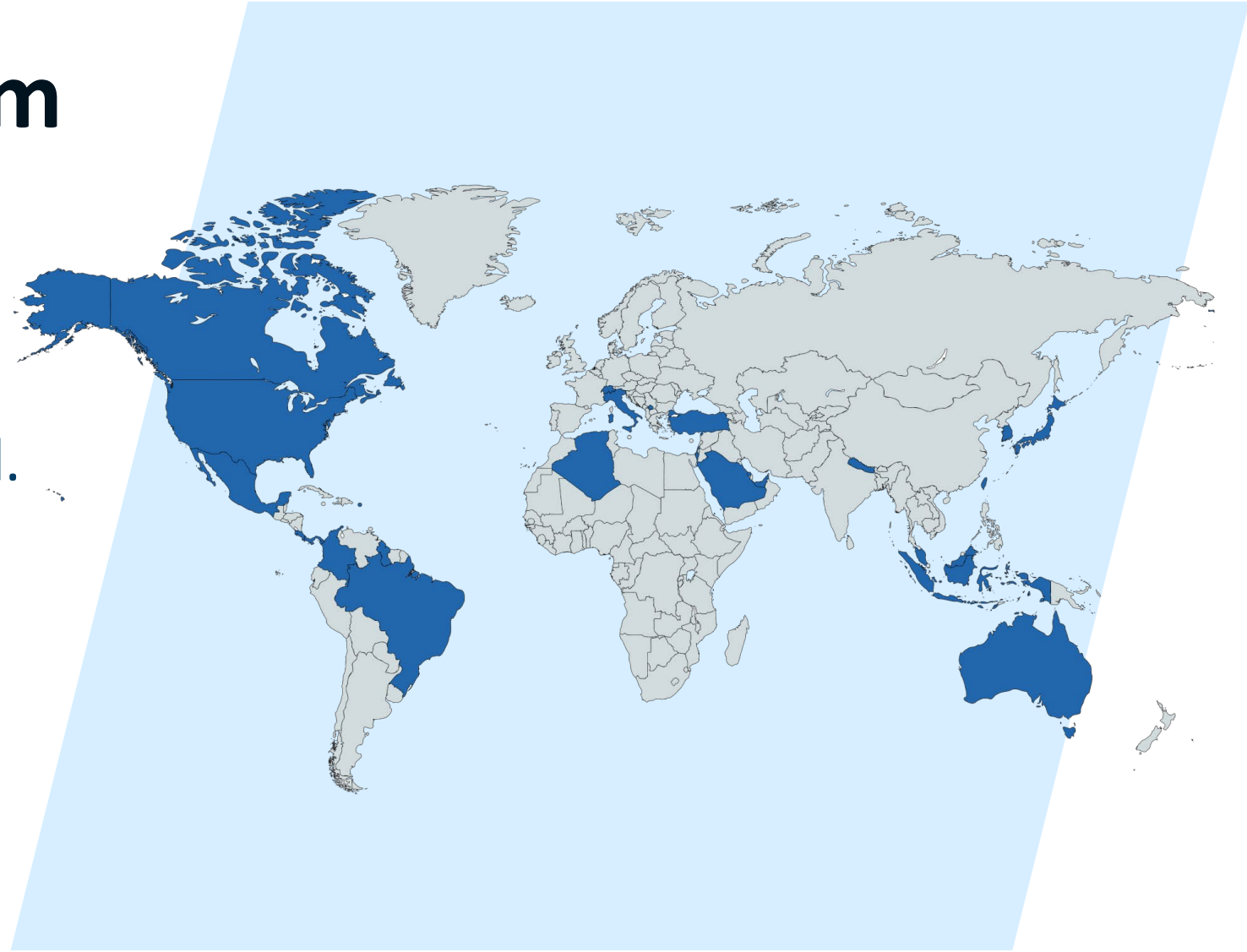
Australia  
Brazil  
Colombia  
Mexico  
Ukraine  
Pakistan

(1) Represents 1/3 of entire market (18,000 police departments)



# International System Deployment

VirTra simulators have been deployed in **40** countries worldwide out of **174** potential.





# Why Customers Choose VirTra

## VirTra



Realistic **300°** and **180°** simulators with  
>100 deployments for each category



**Far Superior Training Content Library**



Add real stress through the **patented Threat-Fire®** product



**Top Reputation** for quality products and  
customer service



Higher quality training can **decrease** legal  
liabilities



## Competition



None or very few **300°** and **180°** simulator  
deployments



Simplistic and low-budget scenarios, often  
lacking in realism and training value



Lacking patented device



Try to copy VirTra's products with  
inconsistent quality and customer service

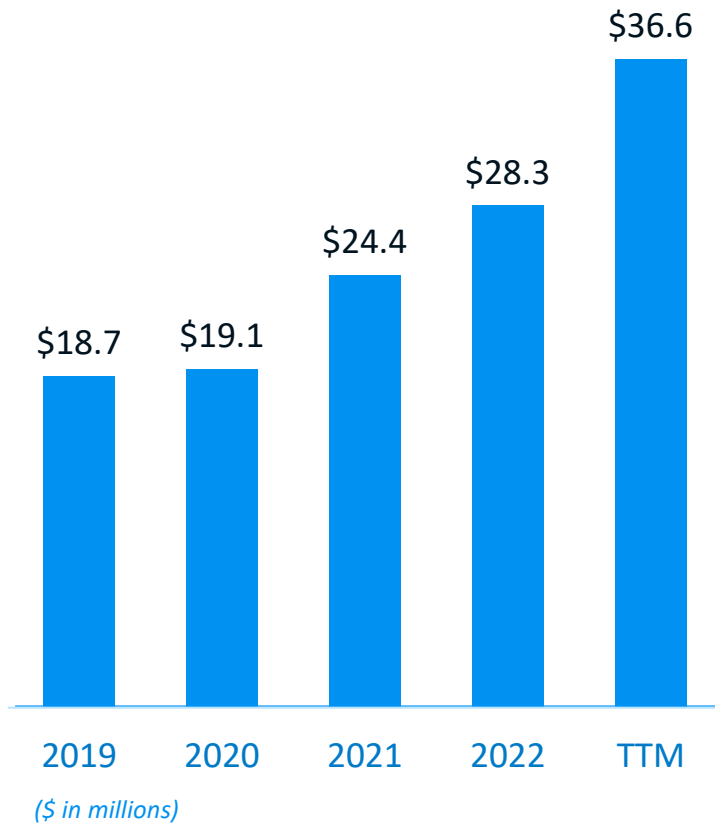


Inferior products make for poor legal  
defense and protection

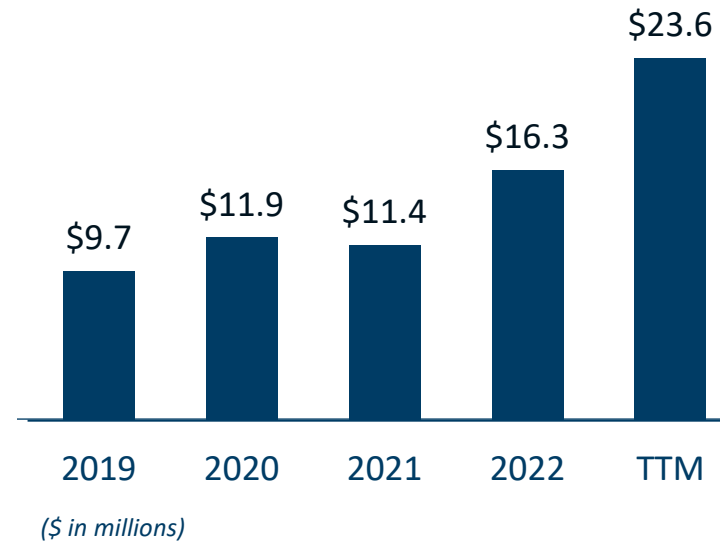
# Financial Overview

*Proven track record of consistent growth*

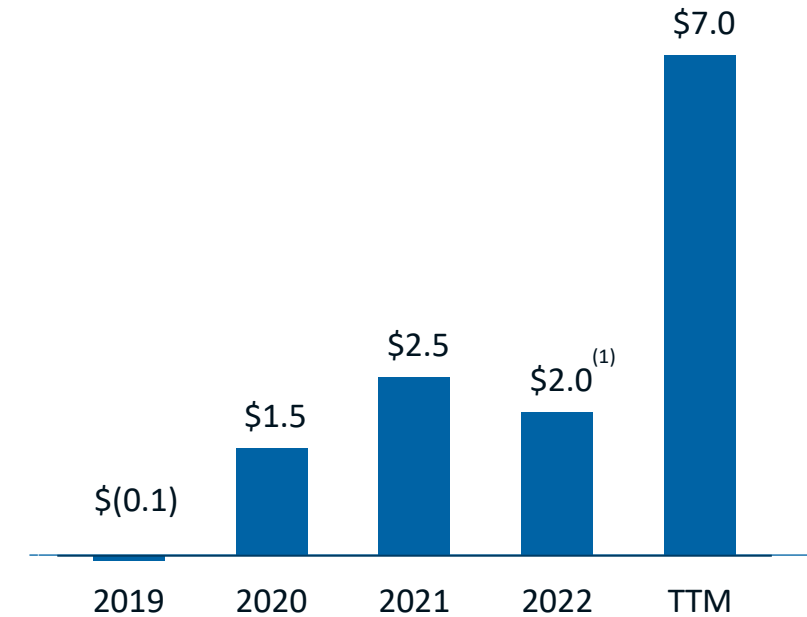
## Total Revenue



## Gross Profit



## Net Income



(1) Includes \$1.3 million in PPP loan forgiveness

# Solid Balance Sheet to Fuel Growth

## Clean Capital Structure

\$17.2 million in cash

10.9 million shares outstanding

<i>\$ in Millions</i>	Sep. 30, 2023	Dec. 31, 2022
Cash & Equivalents	<b>\$17.2</b>	\$13.5
Total Assets	<b>\$68.5</b>	\$53.8
Total Debt*	<b>\$8.2*</b>	\$8.3*
Total Equity	<b>\$39.7</b>	\$33.7

\*Total debt at December 31, 2022 and September 30, 2023 related to mortgage on Chandler, Arizona property.

# Growth Tactics

*Building upon a strong foundational core to scale and grow our business*





# STEP — Subscription Training Equipment and Partnership Program

- Launched March 2019
- **12-month subscription**
- Increases **recurring revenue**
  - More consistent & predictable
- Increases **TAM**
  - Reduces upfront costs
  - **Lowers barrier to entry** for agencies

# Additional Growth Opportunities: Military

- **Increased budgets and tech advancements** expand the military simulation market opportunity
- **Growing demand for AR/VR Tech, mission-oriented scenarios, and Recoil Kits** aligns with VirTra's culture of innovation and core immersive tech
- **Direct transfer of technology** from the law enforcement industry to the military market seamlessly optimizes production efficiency while meeting shared needs



# Investment Considerations



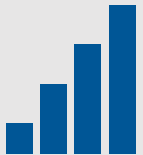
## Industry Leader

- Best-in-class de-escalation and judgmental use-of-force simulators
- Technology that addresses critical concerns, such as limited range training space and environmental considerations
- Alternatives are often too expensive, too unrealistic or too dangerous



## Superior Technology

- Comprehensive solution integrates simulators, training content, firearms, Threat-Fire® and more, ensuring effective training delivered precisely where needed
- Extensive training content library and product line, all designed and manufactured in-house in the USA



## Strong Financial Performance

- Organic revenue growth since 2005
- \$17.2 million in cash<sup>1</sup>
- \$16 million backlog<sup>1</sup>

1. As of Sep. 30, 2023

# Contact Us

**VirTra, Inc.**

[www.virtra.com](http://www.virtra.com)

## **Investor Relations**

Matt Glover | Alec Wilson

Gateway Group

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(949) 574-3860





# Appendix

# Additional Officer Testimonials

“

I **definitely feel better** about going out on the next call after being put through the paces in the VirTra system.”

– O’Fallon Police Officer

“

It’s **not a one-time training tool** – the **opportunities are limitless.**”

– First Sergeant Joe Bice  
Stafford County Sheriff’s Office

“

There are a lot of scenarios on the VirTra system that allow for us practicing de-escalation. If you do these things successfully, **you don’t have to use force** – you can just talk a subject through the situation.”

– Officer Matthew Austin, Omaha Police Department

# Senior Management



## **Bob Ferris, Founder, Executive Chairman**

Mr. Ferris founded Ferris Productions, Inc. in 1993 and, after the merger between Ferris Productions and GameCom in September 2001, he became CEO of the combined company, VirTra, in 2008. Mr. Ferris's vision was to create the most effective simulators in the world, and he helped create the ideas and attract the talent responsible for developing VirTra's market leading products. When he became CEO, VirTra had a depressed stock price and over \$4 million in debt. He then led the company to become what it is today, having a strong market position, generating profits and possessing a solid balance sheet. He is an inventor on multiple patents and considered one of the top experts in the world at applying virtual reality and simulation technology to solve real world problems. Mr. Ferris attended the US Air Force Academy and received a degree in Systems Engineering from the University of Arizona.



## **John Givens, Director, Chief Executive Officer**

John Givens has over 20 years of experience as a soldier, board member, entrepreneur and corporate executive. In 2010, Mr. Givens established the US company of BISim, and as president, took military simulation products from inception to production to the hands of trainees. Mr. Givens has achieved numerous awards and honors, including appointment to the board of directors of the National Center for Simulation (NCS), an association of defense companies, the "Pioneer Award" for outstanding contributions and innovations to the training and effectiveness of U.S. and overseas soldiers, sailors and airmen. Mr. Givens's most prized honor was receiving The Honorable Order of Saint Christopher from the Transportation Command for creating and implementing a pre-deployment convoy operation simulator and working directly with the soldiers before being deployed to Iraq and Afghanistan. Mr. Givens graduated from the Florida Institute of Technology and proudly served in the United States Army.



## **Alanna Boudreau, Chief Financial Officer**

Alanna Boudreau has over 20 years of experience in managerial, financial and operating functions, most recently serving as group controller for The 600 Group PLC (AIM:SIXH), a publicly listed U.K.-based global industrial laser company. At The 600 Group, she oversaw all accounting activities for a business with over \$30 million of revenues that included two manufacturing plants and offices in Orlando, Florida and United Kingdom. Prior to The 600 Group, Boudreau was an Accounting Manager at AdventHealth, a leading U.S.-based nonprofit health care company, where she oversaw accounting functions for 12 locations. Boudreau graduated Summa Cum Laude from the New York Institute of Technology, receiving a Bachelor of Science in Business Administration. She received an MBA from the University of Phoenix.

# Board of Directors

## Jeffrey D. Brown, Independent Director

Mr. Brown has served as a director since 2011. He has been a Certified Public Accountant (“CPA”) since 1993 and a financial planning service provider for over 12 years, performing financial services for a wide range of companies. From 2002 to 2004, Mr. Brown was the Chief Financial Officer for Gold Canyon Candles, a provider of fragranced candles and accessories during a period of rapid growth in revenues. From 1990 to 1994, Mr. Brown was an auditor at Ernst & Young performing audits for a variety of organizations. Mr. Brown received a Bachelor of Science in Accounting from California State University, San Bernardino and his CPA designation in 1993.

## Jim McDonnell, Independent Director

Jim McDonnell has served for over 40 years in the public safety profession and is one of the most respected police thought leaders in the country. He is the first person to have served in senior executive leadership positions in the three largest policing agencies in Los Angeles County: the Los Angeles County Sheriff’s Department (LASD), the Los Angeles Police Department (LAPD), and the Long Beach Police Department (LBPD). McDonnell also is the founder of McDonnell Strategies group, which he founded in early 2019, advising clients across the nation on a diverse range of issues involving public safety and leadership development for an extensive variety of industries. Mr. McDonnell received a Bachelor of Science in Criminal Justice from St. Anslem College and a Master’s Degree in Public Administration from the University of Southern California. He is also a graduate of the Federal Bureau of Investigation’s National Executive Institute and has completed executive education programs at Harvard’s Kennedy School of Government.

## Gregg Johnson, Independent Director

Gregg C.E. Johnson, KM, LL.B., J.D. has served as CEO and was Director of Serenus Therapeutics, Inc. from its formation in May 2021. In July 2016, Gregg was one of the founding officers and directors of Vivos Therapeutics, Inc. (NASDAQ: VVOS), and was a director and Secretary of Vivos from July 2016 until March 2018, and later as a director from December 2019 through May 2020. Johnson has also served as the CEO of Upeva, Inc. since January 2017 which is a company that provides strategic business consulting to growing businesses. Among other transactions while at Upeva, Gregg was seconded to the management team of Harvest Health & Recreation, Inc. where he oversaw the restructuring, finance and go-public transaction that resulted in its listing on the Canadian Securities Exchange (CSE). Mr. Johnson received a Bachelor of Arts in Economics & Political Science from Red Deer Polytechnic as well as an LL.B and J.D. in law from York University.