



# 2021 ANNUAL GENERAL MEETING

Chairman's Address

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**ISA GROUP**

INDOOR SKYDIVE AUSTRALIA GROUP

**Indoor Skydive Australia Group Limited**  
**Chairman's Address**  
**2021 Annual General Meeting – 30 November 2021**

## **Chairman**

Good morning ladies and gentlemen, it is my great pleasure to welcome you to Indoor Skydive Australia Group Limited's 2021 Annual General Meeting.

My name is Stephen Baxter and I am Chairman of Indoor Skydive Australia Group Limited. Due to the constantly changing COVID-19 restrictions, we have elected to hold this meeting online via Zoom. I am joining the meeting from Queensland.

I would now like to introduce my fellow directors:

- Wayne Jones                      Executive Director and Chief Executive Officer;
- Kim Hopwood                    Executive Director;
- Danny Hogan                    Non-executive Director;
- Mark Smethurst                Non-executive Director.

The order for today's proceeding will be as follows:

- firstly, I will provide a brief Chairman's address;
- we will then move to the business of the meeting which is detailed in the notice of meeting;
- after that, there will then be an opportunity for shareholders to ask questions.

If you still have questions, please feel free to email Wayne Jones (CEO) or Stephen Tofler (Company Secretary) at any time.

Minutes of previous meetings, and the notice of AGM are all available from the Company Secretary on request.

## **Year in Review**

Financial Year 2021 was a transformational year for ISA Group with a number of successful initiatives significantly improving the company's financial position and operational performance.

The financial year ended with key strategic growth projects completed and the launch of a new and diverse business offering.

Achievements included a successful debt restructure with our senior financiers resulting in a 37% improvement in net assets and a substantial increase to the cash position. This change allowed the company to drive its current operations and to expand its consumer Virtual Reality business, FREAK Entertainment.

The company end the financial year in a strong position with working capital reserves and operational cashflow to continue with its aggressive growth strategy across consumer and industry markets.

In August 2021, the company announced the acquisition of Red Cartel, virtual reality production studio and content developers. Completion of the acquisition occurred on the 24th of August 2021. The value in the acquisition included a wholly owned military training prototype which is currently being developed into a minimum viable product to be trialled by local and international defence forces later this year.

On the 18th of August the company announced the launch of its new business unit, Operator Tactical Solutions (Operator). Operator builds training and simulation products for global defence and law enforcement agencies, using Virtual Reality and Augmented Reality technologies.

Operator was created to solve the problem of integrating training with technology, increasing soldier's performance and complementing existing training systems. Operator, a wholly owned subsidiary of ISA Group, has been established to capture Defence and related projects within the company.

On the 18th of August the Company announced the release of its new name, branding and ASX code. In line with the growth strategy and the broadening of the target market, Indoor Skydive Australia Group will be changing its name to xReality Group Ltd.

The change in name and ASX code is a significant milestone for the company and marks the beginning of an exciting journey for the company and its shareholders.

Having solidified the strategy for growth and diversification, the company will continue to execute through the rollout of consumer Virtual Reality centres. The pathway for future sites has been established and the company will assess each site with diligence considering current economic environments and external factors brought on by the pandemic.

The scalability of the FREAK Entertainment and Education businesses is exciting, and the company will continue to exploit opportunities in this sector.

The three areas of focus for growth in FY22 include:

### **Increasing Capabilities**

Building capability in XR games creation and simulation software development to increase company owned IP.

### **Enterprise XR Launch**

Expansion of our current military training services into XR training and simulation product development.

### **FREAK Entertainment Expansion**

Continuation of the rollout of FREAK company owned venues and the development of FREAK "Turnkey system" & Franchise model enabled through own game development.

The company will continue to build on the strong foundations set throughout FY2021 and look forward to another successful year ahead under our new name **xReality Group Ltd (ASX:XRG)**.

Thank you.

Stephen Baxter  
Chairman  
30 November 2021