



Announcement Summary

Entity name

XREALITY GROUP LTD

Date of this announcement

Friday May 20, 2022

The +securities the subject of this notification are:

Other

Total number of +securities to be issued/transferred

ASX +security code	Security description	Total number of +securities to be issued/transferred	Issue date
New class - code to be confirmed	Unquoted Options	45,000,000	01/12/2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of entity

XREALITY GROUP LTD

We (the entity named above) give notice of the issue, conversion or payment up of the following unquoted +securities.

1.2 Registered number type

ABN

Registration number

39154103607

1.3 ASX issuer code

XRG

1.4 The announcement is

New announcement

1.5 Date of this announcement

20/5/2022



Part 2 - Issue details

2.1 The +securities the subject of this notification are:

Other

Please specify

Appendix 3B dated 09/08/2021

2.2a This notification is given in relation to an issue of +securities in a class which is not quoted on ASX and which:

does not have an existing ASX security code ("new class")



Part 3C - number and type of +securities the subject of this notification (new class) where issue has not previously been notified to ASX in an Appendix 3B

New +securities

ASX +security code

New class - code to be confirmed

+Security description

Unquoted Options

+Security type

Options

ISIN code

Date the +securities the subject of this notification were issued

1/12/2021

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1?

Yes

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued.

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02404739-2A1314432?access_token=83ff96335c2d45a094df02a206a39ff4

Options Details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.02000000

Expiry date

1/9/2024

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

Other

Description

XRG Fully Paid Ordinary Shares

Any other information the entity wishes to provide about the +securities the subject of this notification

As outlined in the market release 09/08/2021 (under the old ASX code IDZ), and subsequently approved by the shareholders at the AGM on 30/11/2021, the Company successfully renegotiated the terms of the debt facility with Birkdale Holdings, resulting in no requirement to convert and dilute current shareholders.



The Board successfully renegotiated the March 2021 agreement to:

- remove the equity conversion component, instead agreeing to issue Birkdale Holdings (subject to shareholder approval) 45m Options over XRG shares with an exercise price of \$0.02. Exercise of the Options would result in the Company receiving \$900k. The expiry of the Options is aligned with the term of the Birkdale Holdings debt facility agreed in August 2021; and
- roll the remaining balance of the Birkdale Holdings debt facility, totaling \$3.56m into a new 3 year subordinated loan agreement, interest only, with interest capitalising for the term of the loan.

Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including why the issue of the +securities has not been previously announced to the market in an Appendix 3B

These have previously been advised in Appendix 3B lodged 09/08/2021

Issue details

Number of +securities

45,000,000

Were the +securities issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

As part of the renegotiation of the existing loan agreement.

Purpose of the issue

Other

Additional Details

As part of the renegotiation of the existing loan agreement.

Part 4 - +Securities on issue

**Following the issue, conversion or payment up of the +securities the subject of this application, the +securities of the entity will comprise:
(A discrepancy in these figures compared to your own may be due to a matter of timing if there is more than one application for quotation/issuance currently with ASX for processing.)**

4.1 Quoted +Securities (Total number of each +class of +securities quoted)

ASX +security code and description	Total number of +securities on issue
XRG : ORDINARY FULLY PAID	336,870,554

4.2 Unquoted +Securities (Total number of each +class of +securities issued but not quoted on ASX)

ASX +security code and description	Total number of +securities on issue
XRGAB : CONVERTIBLE NOTES	1
XRGAR : OPTION EXPIRING 31-JAN-2024 EX \$0.021	16,585,005
XRGAA : OPTION EXPIRING 23-AUG-2021 EX \$0.35	3,500,000
New class - code to be confirmed : Unquoted Options	45,000,000



Part 5 - Other Listing Rule requirements

5.1 Were the +securities issued under an exception in Listing Rule 7.2 and therefore the issue did not need any security holder approval under Listing Rule 7.1?

No

5.2 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

No

5.2b Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

No

5.2c Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

N/A