



XREALITY GROUP LIMITED

xReality Group Limited (ASX:XRG) **ACN 154 103 607**

ASX Release

Sydney, Australia – 1st September 2022

Acquisition of VR Production Studio – Successful Integration & Issue of Shares

xReality Group Limited (XRG) which develops and operates physical and digital simulations, is pleased to announce the successful integration of Red Cartel VR Production Studio following the acquisition announced on the 24th of August 2021, with the first tranche of deferred consideration shares issued today.

Red Cartel are one of Australia's leading experts in virtual and augmented reality designed for location-based entertainment and premium content for games, venues and enterprise applications. The company has over 20 years of experience servicing many industries including Entertainment, Oil and Gas, Mining, Healthcare and Government.

Since the completion of the acquisition in August 2021, Red Cartel have demonstrated their expertise through the following activities:

- The development of Proprietary Software and Hardware underpinning Operator Tactical Solutions, Military and Law Enforcement Training and Mission Rehearsal Systems
- The development of the first FREAK Entertainment, multi-level VR game which has been a popular attraction at FREAK venues since launching earlier this year.
- The continuation of external client services including recent projects for FIFA and Shell.

The total consideration for the acquisition was \$609k which comprised an up-front payment of \$12,191 with the remaining consideration being paid by the issue of XRG ordinary shares over the first 3 years. The total amount of shares to be issued for each payment is calculated based off the greater of a set share value or the 15-day VWAP at the anniversary of the completion of the acquisition. There are 3 separate tranches of shares to be issued with the majority of the payments being deferred until the second and third anniversaries of completion. The first tranche was paid today with the issue of 2,244,121 shares at an issue price of \$0.036 per share.

Wayne Jones, CEO of XRG said "The acquisition of Red Cartel has unleashed some major opportunities in both the consumer and enterprise markets. The ability to custom build software and hardware at the highest quality has enabled us to engage directly with military and law enforcement units around the world. Landon Curry and his growing development team are a perfect fit with the XRG culture, and we look forward to many successful years ahead."

Approved by the Board of Directors

Further information on xReality Group is available at www.xrgroup.com.au



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About xReality Group Limited (ACN: 154 103 607)

xReality Group Limited develops and operates physical and digital simulations. Portfolio companies include Indoor Skydiving facilities, Virtual Reality (VR) and Augmented Reality (AR) entertainment, training, and production.

The Company listed on ASX on 18th January 2013 under the code IDZ changing to XRG on 13th Dec 2021.

For further information visit: www.xrgroup.com.au

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