



XREALITY GROUP LIMITED

xReality Group Limited (ASX:XRG)

ACN 154 103 607

ASX Release

Sydney, Australia – 1st May 2023

Successful \$1m Placement to fund accelerated US Expansion

xReality Group Limited (ASX: XRG) ("XRG" or the "Company"), a leading technology solutions provider, is pleased to announce the successful completion of a \$1 million capital placement to fund its strategic expansion into the United States market.

A total of 22,222,222 fully paid ordinary shares were issued at \$0.045 per share to raise \$1 million, shared between an Investment Fund and a sophisticated S708 Wholesale Investor, both of which have been following XRG and especially the progress and success of the rollout of Operator XR in the Australasian market. The issue price represents a discount of 3.2% to the 5-day VWAP. The placement was made in compliance with the Company's ASX Listing Rule 7.1 and 7.1A placement capacities.

The funds raised will be used to execute the **Operator XR** US expansion strategy which includes the establishment of dedicated sales and support teams as well as continued investment in product development and marketing.

Following increasing interest from the US market, the company will initially focus on:

1. Establishing a dedicated sales team to drive market penetration into the Law Enforcement and Military Markets.
2. Continued investment in product development to cater to the unique requirements of the US market, including localisation of uniforms, equipment, and vehicles within the scenarios.
3. Strengthening marketing efforts to build brand awareness and create a stronger presence in the region.

In addition to our US distributors, who have been engaging with the military markets, Operator XR will initially focus its direct sales teams on the Law Enforcement market. The market size in the United States consists of over 800,000 sworn officers spread across almost 18,000 police agencies which include municipal, county, state, and federal agencies.

XRG has already established its US subsidiary, Operator XR LLC, and has identified suitably experienced and qualified personnel in the United States to join the XRG team.

XRG's CEO, Wayne Jones, commented: "We are excited to expand our presence into the US Law Enforcement markets. This capital raising provides XRG with the financial resources necessary to accelerate our growth into the region and we are confident that our strategic initiatives will continue to deliver significant value for our shareholders."

Operator XR's products allow Police and Law Enforcement Officers to train operational tactics and procedures within a portable, virtual reality environment. Complimenting existing training methods, the virtual reality system allows officers to train more often, leading to increased preparedness across a



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broad range of scenarios centred on de-escalation tactics, use of force decision making, and operational procedures. The system has been developed from the ground up by XRG, using the latest innovations in Virtual Reality technology, with all IP owned by XRG. For a video demonstration of Operator XR, see www.operatorxr.com

This announcement is authorised by the Board of Directors.

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About xReality Group Limited (ACN: 154 103 607)

xReality Group Limited are leaders in enterprise software development for mission critical simulations for military and law enforcement. The company develops and operates physical and digital simulations. Portfolio companies include Indoor Skydiving facilities, Virtual Reality (VR) and Augmented Reality (AR) entertainment, training, and production.

Operator XR provides Military and Law Enforcement agencies with a unique, integrated Mission Planning & Rehearsal System, which is portable, secure and highly immersive. See <https://www.operatorxr.com/>

The Company is listed on ASX on under the code XRG.

For further information visit:

Wayne Jones, Chief Executive Officer:

Stephen Tofler, Company Secretary:

www.xrgroup.com.au

wjones@xrgroup.com.au

stofler@xrgroup.com.au