

Friday, 26 April 2024

The Manager
ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney, NSW, 2000

NOTIFICATION AND RECTIFICATION OF INADVERTANT BREACH OF LISTING RULES

CANCELLATION OF ESP OPTIONS ISSUED DIRECTORS

xReality Group Limited (ASX:XRG) (**Company**) advises that the recent participation by Mr Wayne Jones and Mr Kim Hopwood in the Company's employee share purchase plan, as part of their respective remuneration and incentive arrangements, resulted in an unintentional and inadvertent breach of ASX Listing Rule 10.14.

On 10 January 2024 options were allotted to Mr Wayne Jones and Mr Kim Hopwood, each of whom is a director and related party of the Company and therefore, subject to certain exceptions, unable to participate in an issue of the Company's securities without prior shareholder approval.

Although shareholders approved the Company's employee share purchase plan at the 2023 annual general meeting, the Company confirms that separate shareholder approval for related party participation in that plan was not sought. As a result, the Company confirms that the options issued to Wayne Jones and Kim Hopwood have been cancelled.

The Company intends to seek the shareholder approvals required to re-issue these options at the next annual general meeting.

The option cancellation is reflected in the Appendix 3Ys for Mr Wayne Jones and Mr Kim Hopwood attached to this announcement and an Appendix 3H released by the Company today (immediately prior to this announcement).

NOTIFICATIONS REGARDING SERVICE RIGHTS AND OPTIONS APPROVED IN 2022 AND 2023

On 10 November 2022, the Company issued one million service rights to Mr Mark Smethurst and three million service rights to Mr John Diddams, each of whom is a director of the Company, in accordance with shareholder approval provided at the 2022 annual general meeting held on 10 November 2022.

The Company subsequently issued 500,000 service rights on 21 November 2023 and one million options on 23 January 2024, to director Mr Philip Copeland, in accordance with shareholder approval provided at the 2023 annual general meeting.

ASX Listing Rule 3.10.3A required that the Company lodge an Appendix 3G within five business days of each of the above issues being made. Due to an administrative oversight, the Company omitted to provide these notifications, resulting in unintentional and inadvertent breaches of ASX Listing Rule 3.10.3A. At the time, the Company was under the mistaken belief that, having



XREALITY GROUP LIMITED

obtained the requisite shareholder approval, no further ASX notifications were required until the service rights and options were exercised. The Company recognises this is incorrect.

On becoming aware of its oversight, the Company immediately lodged an Appendix 3G on 10 January 2024. However, on review, the Company identified that the Appendix 3G incorrectly stated the number of service rights and options currently on issue and their issue date.

The correct issue dates and numbers are set out above and are reflected in the Appendix 3Ys for Mr Mark Smethurst and Mr John Diddams attached to this announcement and in the following documents which the Company will release today: an Appendix 3H and an Appendix 3Y for Mr Philip Copeland.

CONFIRMATION REGARDING COMPLIANCE PROCEDURES

The Company acknowledges its administrative oversights and has undertaken a review of the Company's disclosure obligations and its procedures for ensuring compliance with the ASX Listing Rules. As a part of this review, all the directors have been reminded of their obligation to keep the Company informed of any changes to their interests in the Company or circumstances giving rise to a disclosure obligation under ASX Listing Rule 3.19A within five business days of such changes occurring.

The Company believes the matters identified in this announcement to be isolated incidents, which do not involve any substantive breach of the ASX Listing Rules.

The Company is satisfied that current processes and procedures are being enforced and are adequate to ensure compliance with the ASX Listing Rules.

This announcement has been authorised for release by the Board.

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	xReality Group Ltd
ABN	39 154 103 607

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Wayne Jones
Date of last notice	Correction in respect of 857,143 options issued on 10 January 2024 and cancelled on 24 April 2024

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	I control the exercise of the right to vote attached to, or the power to control the disposal of securities held by Project Gravity Pty Ltd ATF The Jones Family Trust
Date of change	1. 10 January 2024 2. 24 April 2024
No. of securities held prior to change	Securities held prior to the issue of options on 10 January 2024: 36,442,737 Fully Paid Ordinary Shares held as follows: <ul style="list-style-type: none">16,060,000 held by Excalib-Air Pty Ltd;7,057,739 held by Project Flight Pty Ltd ATF Wayne Jones Superannuation Fund;13,324,998 held by Project Gravity Pty Ltd ATF the Jones Family Trust. 8,435,005 unlisted options with an exercise price of \$0.021 and an expiry date of 31 Jan 24.

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

	357,143 unlisted options with and exercise price of \$0.05 and an expiry date of 31 Jan 25
Class	Options
Number acquired	857,143 options issued to Project Gravity ATF The Jones Family Trust
Number disposed	Cancellation of 857,143 options held by Project Gravity ATF The Jones Family Trust
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	Nil
No. of securities held after change	<p>The options issued to Project Gravity ATF The Jones Family Trust on 10 January 2024 were subsequently cancelled.</p> <p>Securities currently held (after the cancellation) are:</p> <p>47,077,742 Ordinary Fully Paid Shares held as follows:</p> <ul style="list-style-type: none"> • 16,060,000 held by Excalib-Air Pty Ltd; • 7,757,739 held by Project Flight Pty Ltd ATF Wayne Jones Superannuation Fund; • 23,260,003 held by Project Gravity Pty Ltd ATF the Jones Family Trust. <p>357,143 unlisted options with an exercise price of \$0.05 and an expiry date of 31 Jan 25.</p>
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	<p>Issue and cancellation.</p> <p>See the cover note to this Appendix 3Y dated 24 April 2024 for details.</p>

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

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Introduced 30/09/01 Amended 01/01/11

Name of entity	xReality Group Ltd
ABN	39 154 103 607

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Kim Hopwood
Date of last notice	Correction in respect of 600,000 options issued on 10 January 2024 and cancelled on 24 April 2024

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	
Date of change	1. 10 January 2024 2. 24 April 2024
No. of securities held prior to change	Securities held prior to the issue of options on 10 January 2024: 31,915,202 Ordinary Fully Paid Shares held as follows: <ul style="list-style-type: none">31,875,202 Held by Kim Hopwood40,000 Held by Hopwood Family SMSF Pty Ltd 4,400,000 unlisted Options with an exercise price of \$0.021 and an expiry date of 31 Jan 24. 285,715 unlisted Options with and exercise price of \$0.05 and an expiry date of 31 Jan 25
Class	Options

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

Number acquired	600,000
Number disposed	600,000
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	Nil
No. of securities held after change	<p>The options issued were subsequently cancelled, see the Company's ASX announcement for details.</p> <p>Securities currently held (after the cancellation) are:</p> <p>36,315,202 Ordinary Fully Paid Shares held as follows:</p> <ul style="list-style-type: none"> • 30,087,023 shares held by Kim Hopwood • 6,228,179 shares held by Hopwood Family SMSF Pty Ltd <p>285,715 unlisted options with an exercise price of \$0.05 and an expiry date of 31 Jan 25.</p>
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	<p>Issue and cancellation.</p> <p>See the cover note to this Appendix 3Y dated 24 April 2024 for details.</p>

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

+ See chapter 19 for defined terms.

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

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Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	xReality Group Ltd
ABN	39 154 103 607

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	John Diddams
Date of last notice	Correction in respect of service rights issued with shareholder approval on 10 November 2022. See the cover note to this Appendix 3Y dated 24 April 2024 for details.

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Galdarn Pty Ltd Whitfield Investments Pty Ltd
Date of change	10 November 2022
No. of securities held prior to change	Shares held prior to 2022 AGM: Galdarn Pty Ltd 2,570,000 Whitfield Investments Pty Ltd 1,500,000
Class	Service Rights
Number acquired	3,000,000
Number disposed	Nil
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	Nil

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Appendix 3Y

Change of Director's Interest Notice

No. of securities held after change	Galdarn Pty Ltd	2,570,000
	Whitfield Investments Pty Ltd	1,500,000
	Fully Paid Shares	4,070,000
	Galdarn Pty Ltd	3,000,000
	Service Rights	3,000,000
	Note: Service rights carry an entitlement to 1 ordinary share per service right on exercise, subject to satisfaction of vesting conditions	
	Total securities held as at the date of this notice:	
	Galdarn Pty Ltd	4,600,000
	Whitfield Investments Pty Ltd	1,800,000
	Fully Paid Shares	6,400,000
	Galdarn Pty Ltd	300,000
	Whitfield Investments Pty Ltd	150,000
	Options	450,000
	Galdarn Pty Ltd	3,000,000
	Service Rights	3,000,000
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of service rights with shareholder approval. See the cover note to this Appendix 3Y dated 24 April 2024 for details.	

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	

+ See chapter 19 for defined terms.

Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

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Name of entity	xReality Group Ltd
ABN	39 154 103 607

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Mark Smethurst
Date of last notice	15 November 2021

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	
Date of change	10 November 2022
No. of securities held prior to change	Nil
Class	Service Rights
Number acquired	1,000,000
Number disposed	Nil
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	Nil
No. of securities held after change	Service Rights: 1,000,000 Note: Service rights carry an entitlement to 1 ordinary share per service right on exercise, subject to satisfaction of vesting conditions

+ See chapter 19 for defined terms.

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Change of Director's Interest Notice

Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of service rights with shareholder approval. See the cover note to this Appendix 3Y dated 24 April 2024 for details.
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Part 2 – Change of director's interests in contracts

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Detail of contract	N/A
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

Part 3 – ⁺Closed period

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