



XREALITY GROUP LIMITED

xReality Group Limited (ASX:XRG)

ACN 154 103 607

ASX Release

Sydney, Australia – 05 March 2025

Debt Conversion at 39% Premium to XRG Market Close

xReality Group Limited (“XRG” or the “Company”) is pleased to announce that the Company has entered into a conditional debt repayment and subscription agreement (**Agreement**) with its largest shareholder, Birkdale Holdings (Qld) Pty Ltd (ACN 120 407 981) (**Birkdale**).

The Agreement is conditional on shareholder approval which the Company intends to seek at an extraordinary general meeting (**EGM**) convened for the purposes of Item 7 of Section 611 of the Corporations Act 2001 (Cth) (**Shareholder Approval**).

If Shareholder Approval is obtained, the Company:

- proposes that the current debt owing to Birkdale (Debt) of approximately \$4.628 million (including interest and expenses calculated to 30 April 2025) pursuant to the loan facility between the Company and Birkdale dated 19 June 2018 and amended in November 2023, will be converted to shares (Proposed Placement);
- will issue to Birkdale 92,565,249 fully paid ordinary shares in the Company (Shares) at a subscription price of \$0.05 per Share, a 39% premium to the closing price on 4th March 25. To the extent that there are any costs, accrued interest or timing overruns in excess of this amount, XRG intends to cash settle these costs in extinguishing the Birkdale facility in full;
- will apply all of the Debt as the subscription monies for the Shares; and
- no disclosure document will be issued with respect to the issue of Shares.

The Company has appointed an independent expert to opine on whether the Proposed Placement is in the best interests of shareholders. The report prepared by the independent expert will be provided to shareholders with the proposed notice of meeting for the upcoming EGM.

Wayne Jones, CEO said “Steve Baxter’s continued support, through Birkdale Holdings, is a testament to the strength of our business and the game-changing potential of Operator XR.” Jones said. “His decision to convert at a premium reflects not just confidence in our growth, but the value of his strategic insights and sector relationships. Steve’s insights into scaling tech businesses and penetrating high-value markets like defence and public safety are incredibly valuable; his support strengthens our growth strategy and balance sheet as we scale Operator XR.”



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The Agreement contains provisions:

- which regulate the issue of the Shares;
- an acknowledgement that Birkdale is a sophisticated investor; and
- standard warranties and indemnities for a subscription agreement for listed shares in favour of Birkdale.

The notice of meeting will include further details about the Agreement.

An indicative timetable is set out below:

Event	Proposed Date
Provide draft Notice of General Meeting to ASX (TBC)	Monday, 24 March 2025
Despatch Notice of General Meeting to Shareholders	Monday, 31 March 2025
General Meeting and announce results	Wednesday, 30 April 2025
Issue of Shares under the Placement	Thursday, 1 May 2025

This ASX Release is authorised by the Board of xReality Group Limited.

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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 operatorxr.com

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

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

Wayne Jones, Chief Executive Officer, wjones@xrgroup.com.au

Stephen Tofler, Company Secretary, stofler@xrgroup.com.au