



XREALITY GROUP LIMITED

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

ASX Release

Sydney, Australia – 30 May 2024

Operator XR – Sales Update

xReality Group Limited (“xRG” or the “Company”) is pleased to provide the following sales update for Operator XR, a wholly owned subsidiary of xReality Group Ltd. Operator XR provides Military and Law Enforcement agencies around the world with a unique, integrated Mission Planning & Rehearsal System, which is portable, secure, and highly immersive.

Operator XR bolstered its US operations and sales team in late November 2023 and has strategically focused its direct sales activities on the Law Enforcement market, while ongoing development of the military segment occurs around the world.

Year to date total contract value has more than doubled during the month of May resulting in an Annual Recurring Revenue increase of 107% for the month to \$1.26m.

Highlights

- **Sales of \$1.93m in the month of May**
- **12 new customers won during the month**
- **Second Australian Defence Force Sale**
- **YTD Contract Value increase of 261% this month to \$2.66m**
- **Annual Recurring Revenue Increased by 107% this month to \$1.26m**

New Australian Defence Force Sale

On the 22nd of May 2024 the company received a Purchase Order from the Australian Defence Force for the delivery of two systems with a 3-year licence, further details of the sale are commercial in confidence. The second purchase of the Operator XR system is unrelated to the ongoing trial that remains underway with the wider Australian Defence Force.

New Law Enforcement Customers in the USA

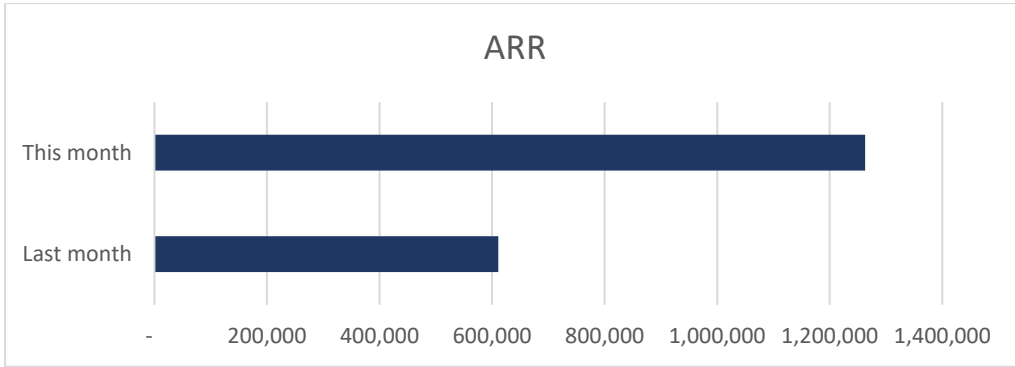
During the month of May, Operator XR has received orders from 11 individual agencies in the US. The customers include Police Departments in Oregon, Maryland, Alaska, Texas, Florida, Ohio, Arkansas, Indiana, and a training organisation based in California.



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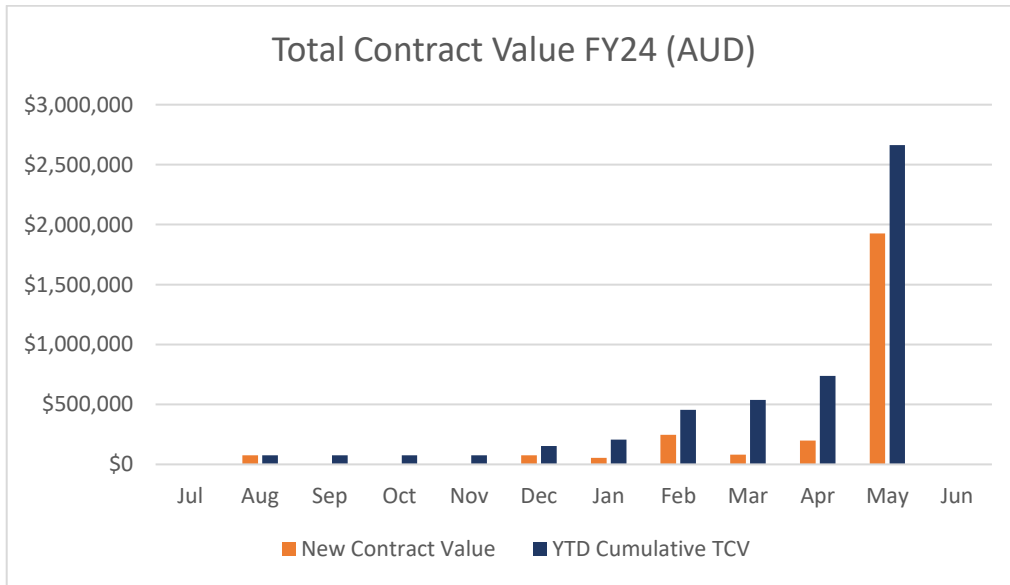
Operator XR Annual Recurring Revenue (ARR)

- Total ARR = \$1,263,150
- ARR increase last 30 days = \$652,150 (107%)



Operator XR Total Contract Value (TCV)

- Total TCV YTD = \$2,663,475
- Total TCV last 30 days = \$1,926,570 (+261%)



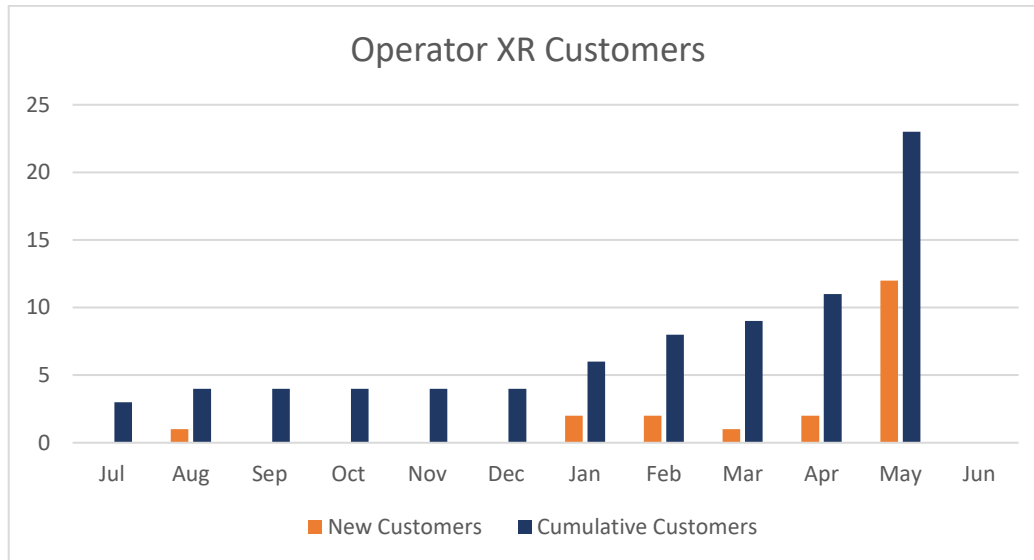
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Operator XR Customers

- Total Customers = 23
- Total New Customers YTD = 20
- Total New Customers Last 30 days = 12



Operator XR Additional Information

- The United States market comprises of over 18,000 individual Law Enforcement agencies, from Local, County, State to Federal and represents the single largest market opportunity for Operator XR, with both its products lines being acquired.
- The average sale price for Operator XR products in the US range from \$50k - \$250k USD with the majority of orders paid in full on delivery of software and associated equipment.
- The majority of sales of Operator XR products and software are recognised as revenue over a 3-year period, as Annual Recurring Revenue.
- All projects that are developed by Operator XR for an individual customer are recognised as revenue as milestones are met and the project is delivered.

XRG CEO Wayne Jones said, "The momentum we are currently experiencing, particularly in the US, is a further validation of the product and market fit. We have established a strong sales culture within Operator XR, and we are starting to see the results of the Sales, Marketing and Production activities over the past 6 months."

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 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

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