



XREALITY GROUP LIMITED

xReality Group Limited (ASX:XRG)

ACN 154 103 607

ASX Release

Sydney, Australia – 8 April 2025

Execution of New Debt Facility of up to \$6m

xReality Group Limited (ASX:XRG) (“**xReality**” or the “**Company**”) is pleased to announce that it has entered into an agreement with Causeway Asset Management (**Lender**) to implement a new senior debt facility (**New Facility**) and repay the existing debt facility with the Lender in place from March 2021 (**Existing Facility**).

The New Facility provides for:

- an initial draw down of \$5m to repay the Existing Facility in full; and
- additional working capital for the growth of Operator XR.

The New Facility also includes a second tranche of \$1m which can be drawn down, should it be required, once the Company achieves a total Annual Recurring Revenue of \$7m. The maturity date for both tranches under the New Facility is the 1 April 2027.

Key Highlights

- A \$6m New Facility with initial drawdown of \$5m and an additional \$1m available for working capital, should it be required, once a growth hurdle of \$7m ARR has been achieved (the second part at the Lender’s discretion).
- The New Facility will be used to repay the Existing Facility amount of \$4.6m loan (in full), with the balance immediately available for working capital.
- Interest rates and principal repayments have not changed from the previous facility.

The New Facility is expected to eliminate all near-term financial obligations, provide the Company with financial certainty and flexibility and support the continued growth of its Operator XR growth strategy.

Wayne Jones, CEO of XRG, said “We are pleased to have finalised the new agreement with Causeway Asset Management. This transaction will position us strongly for the next phase of growth.” Jones added, “The New Facility marks the end of the debt restructure phase for XRG, assuming the conversion of the Birkdale loan¹, our overall debt will be reduced by 48% and, with the New Facility in place, the Company will have established a stable debt position with substantially improved gearing.”

¹ Subject to shareholder approval at the upcoming general meeting on 30 April 2025.

Key Commercial Terms include.

- Immediate access to an initial \$5 million drawdown, with a further \$1 million available at the Lender's discretion, should it be required;
- The New Facility:
 - Contains standard drawdown conditions precedent for a facility of its nature
 - has a Maturity date of 1 April 2027
 - provides for an interest rate of 14.5% (payable quarterly), principal repayments of \$25k per month and contain standard reporting and negative covenants
 - requires payment of establishment and diligence fees negotiated on arm's length terms
- 5 million XRG warrants (options) will be issued to the Lender with an exercise price of a premium of 20% to the 30 day VWAP at initial drawdown (**Warrants**).
- Each Warrant may be exercised at any time prior to the expiry date and on exercise the warrant holder will receive one ordinary share for each Warrant exercised.
- The Warrants:
 - expire if not exercised before 36 months after issue
 - will not be quoted on ASX but are transferrable
 - contain standard provisions relating to reconstructions of capital
- The security arrangements for the New Facility are the same as the security granted by the xReality group with respect to the Existing Security.
- Otherwise the material terms of the New Facility are the same as the Existing Facility.
- Shareholder approval is not required for entry into the New Facility nor issue of the Warrants.
- The issue of the Warrants is not expected to materially impact the Company's share price.

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

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