



XREALITY GROUP LIMITED

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

ASX Release

Sydney, Australia – 20th May 2026

Operator XR secures first European Contract with Swedish Military

xReality Group Limited (ASX: XRG) (“XRG” or “the Company”) is pleased to announce that its wholly owned subsidiary, Operator XR Pty Ltd (“Operator XR”), has secured its first European contract, supplying an OP-2 Virtual Reality (VR) tactical training system to a Swedish military end-user. The contract has been executed via Operator XR’s Swedish distribution partner, PROMOTEQ i Sandviken AB (“Promoteq”), and represents a strategically important entry into the European defence training market.

Key Highlights:

- First European contract for Operator XR – establishing a beachhead in the European defence training market.
- End-user is a Swedish military customer within the Swedish Armed Forces.
- Contract value of approximately A\$450,000 for an OP-2 VR tactical training system, including software licences, integrated training hardware and ongoing support services.
- System delivery scheduled for Q4 FY26 with 30% of the contract value invoiced upon contract signature.
- Sale executed through Operator XR’s Swedish distribution partner, PROMOTEQ i Sandviken AB.
- Sweden’s 2026 defence budget is up 18% year-on-year to 2.8% of GDP, with a target of 3.5% of GDP by 2030 – providing a structural tailwind for further procurement.
- Establishes a reference customer to support Operator XR’s European pipeline development.

The contract delivers an Operator XR OP-2 system configured for the end-user’s tactical training requirements, including software licences, integrated training hardware for use-of-force and tactical training scenarios, and ongoing maintenance and remote software support.

The win marks Operator XR’s first sale into Europe and its first deployment with a NATO member’s armed forces, complementing existing momentum in the North American and Asia-Pacific markets.

About the Swedish Defence Market

Sweden formally joined NATO in March 2024 and is among NATO’s most capable and fastest-growing defence spenders. Sweden’s 2026 defence budget represents an 18 per cent year-on-year increase, reaching 2.8 per cent of GDP, with a stated path to 3.5 per cent of GDP by 2030 in line with the alliance’s revised target. The Swedish Armed Forces are

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actively modernising training and capability across all service branches, with immersive simulation a recognised priority area.

About Promoteq

PROMOTEQ i Sandviken AB is a Swedish supplier of professional equipment to defence, law enforcement and emergency services customers across the Nordic region. Promoteq is Operator XR's in-country distribution partner for Sweden, providing local sales, integration and after-sales support for the OP-2 platform.

Contract Summary

- Contract value of approximately A\$450,000 for an OP-2 VR tactical training system, software licences, integrated training hardware, and ongoing support services.
- System scheduled for delivery in Q4 FY26.
- AUD value is approximate, reflecting prevailing USD/AUD exchange rates; final AUD revenue will reflect the actual exchange rate at the time of conversion.

Management Commentary

XRG Chief Commercial Officer Ben Smith said: "Securing our first European customer is a significant commercial milestone for Operator XR. Sweden is one of NATO's most capable and fastest-growing defence markets, and entering it through a customer within the Swedish Armed Forces reinforces our position as a global supplier of mission-critical immersive training capability. Working with our Swedish distribution partner Promoteq, this contract establishes a foundation we expect to build on across the broader European market over time."

Anders Hedqvist, Business Area Manager – Special Integrations at Promoteq, said: "We selected Operator XR as our partner for advanced VR tactical training because the OP-2 platform delivers a level of realism, portability and operational fidelity that meets the demanding standards of Swedish defence end-users. Bringing this capability into service in Sweden is an important first step, and we are seeing strong interest from across the Swedish and Nordic defence and law enforcement community in the same capability."

Materiality

While the contract value is below XRG's recently announced contracts, the Board of XRG considers this announcement material given the strategic significance of Operator XR's entry into the European defence training market. This is the Company's first European contract and its first deployment with a NATO member's armed forces. The contract establishes a reference customer to support Operator XR's pipeline development across the European NATO market, in line with the Company's previously stated strategy to grow its presence in international defence and law enforcement markets.

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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