XREALITY GROUP LIMITED

FY26 Investor Presentation

FY26 Full Year Preliminary Results - 31 August 2026

FY26 Highlights

Total income $20.0m up 43%, $3.8m EBITDA, and a qualified pipeline of $80.4m

FY26 TOTAL INCOME	FY26 EBITDA	DEFERRED REVENUE	RECEIPTS FROM CUSTOMERS
$20.0m	**$3.8m**	**$15.5m**	**$24.2m**
▲ 43% PcP	▲ $3.3m PcP	▲ $8.1m PcP	▲ 29.2% PcP

NET OPERATING CASHFLOW	ANNUAL RECURRING REVENUE	FY26 TOTAL CONTRACT VALUE	TOTAL CUSTOMERS
$5.5m	**$8.0m**	**$13.0m**	**118**
▲ 66.8% PcP	▲ 70% PcP	▲ 15% PcP	▲ 76% PcP

RECORD FY26 PERFORMANCE POSITIONS XRG FOR ITS NEXT PHASE OF GROWTH

Executive Summary

FY26: A Step-Change in XRG Group Performance

COMPANY OVERVIEW

- xReality Group (ASX: XRG) develops enterprise software for mission critical simulation for military and law enforcement.
- Operator XR is the core growth asset: portable, secure, immersive training systems sold predominantly into the United States.
- Operator XR portfolio continues to expand into Counter Unmanned Aerial Systems (C-UAS) and Mixed Reality training continuum use cases across military and law enforcement customer sets
- Entertainment comprises the iFLY facilities at Penrith and the Gold Coast, contributing strong results and positive cashflow.

FY26 PRELIMINARY RESULTS

- **Total Income $20.0m**, up 43% PcP, Revenue from Customers $15.1m, Grant income associated with Operator XR $4.9m
- **EBITDA $3.8m**, up from $0.6m in FY25, an EBITDA margin of 25.3% on revenue.
- **Receipts from customers $24.2m**, up 29% PcP. Net operating cashflow $5.5m, up 67% PcP. Combined deferred revenue $15.5m, up 110% PcP.
- **Deferred Revenue $15.5m,** strong pipeline of future revenue

GROWTH STRATEGY

Operator XR as the growth engine

Focused sales execution, growing global partners. Targeting significant, long-term opportunities in military and law enforcement markets.

Product roadmap

OP-2 as the current sales-leading product, MR-1 commercialised in FY26 and Interceptor C-UAS maturing — a portfolio across multiple stages of maturity, supported by platform AI integration delivering high-fidelity training outcomes across expanding use cases.

US scale, global foundations

118 customers as at 30 June 2026, of which 108 in the United States, up 76% PcP. First contracts into Europe (Sweden) and Asia (Japan) delivered in FY26 through distribution partners.

Pipeline of revenue

ARR $8.0m at 30 June 2026, up 70% PcP. FY26 Total Contract Value $13.0m. Qualified Sales pipeline $80.4m, up 165% PcP.

FY26 Group positioning

Deferred revenue of $15.5m and a qualified pipeline of $80.4m underpin FY27 visibility

CAPITAL POSITION

- Closing cash $2.7m (FY25: $2.8m), with net operating cashflow of $5.5m with $6.0m invested in product and intellectual property.
- FY26 total debt repayments of $0.8m, inclusive of $0.5m facility increase that was retired in-year.
- Causeway debt facility maturity April 2027; refinancing process underway with lender discussions progressing.
- Net assets $14.0m, up 22% PcP (FY25: $11.5m).

REVENUE MODEL AND VISIBILITY

- Deferred revenue increased to $15.5m at 30 June 2026 (FY25: $7.4m), a significant pool of contracted revenue yet to be recognised in future periods.
- This provides increased revenue visibility into FY27 and beyond and reflects the growing base of multi-year customer programs.
- Annual Recurring Revenue increased to $8.0m, representing 70% growth (FY25: $4.7m).
- The global customer base grew 76% to 118 customers (FY25: 67).

GROUP PORTFOLIO CONSOLIDATION

- Entertainment generated $7.1m of revenue and $1.3m of operating profit in FY26, remains stable and cashflow positive.
- FREAK exit substantially complete, with FREAK Penrith retained within the iFLY Downunder lease.
- Advisers assessing the optimal strategy for the wind tunnel assets.
- Capital deployment focused on the Group's most significant opportunities, investing to capture and deliver growth while improving capital efficiency.

LEADERSHIP AND ORGANISATION

- Building the structure for XRG's next chapter.
- Kim Hopwood promoted to Chief Operating Officer, strengthening Group-wide operational leadership.
- Ben Smith appointed Chief Commercial Officer, leading XRG's global commercial strategy and execution.
- Melbourne presence established, alongside continued expansion of Operator XR's engineering and product teams..

Operator XR

Driving Financial Performance

Image: MR-1 mixed reality training system

Operator XR: Growth momentum

Four years of compounding growth in Operator XR revenue, recurring revenue, contracted value and customers

Operator XR Revenue ($m)

+52% PcP

FY23	0.6
FY24	0.7
FY25	5.1
FY26	7.8

Enterprise segment revenue as reported.

Annual Recurring Revenue ($m)

+70% PcP

FY23	0.4
FY24	2.2
FY25	4.7
FY26	8.0

Operator XR annual recurring revenue at 30 June.

Total Contract Value ($m)

+15% PcP

FY23	1.4
FY24	4.1
FY25	11.3
FY26	13.0

Total contract value of Operator XR contracts, all years of term.

Total Customers (no.)

+76% PcP

FY23	3
FY24	29
FY25	67
FY26	118

Total Operator XR customers at 30 June.

Group Revenue ($m)

+19.1% PcP

FY23	9.8
FY24	9.2
FY25	12.7
FY26	15.1

Group revenue from continuing operations.

Group EBITDA ($m)

+$3.3m PcP

FY23	2.2
FY24	-0.3
FY25	0.6
FY26	3.8

Earnings before interest, tax, depreciation and amortisation.

Operator XR: FY26 highlights

ARR $8.0m, up 70% PcP | FY26 TCV $13.0m | 118 customers | qualified pipeline $80.4m

SCALE AND CUSTOMER GROWTH

- 118 customers at 30 June 2026, up 76% PcP (FY25: 67), 108 in the United States. First sales in Europe and Asia.
- US law enforcement remains the primary growth segment, with over 18,000 law enforcement agencies.
- Texas Department of Public Safety contract of up to $5.7m secured in August 2025. $4.3m initial order plus $1.4m in optional support services (exercisable in FY28).

FY26 DELIVERY

- US Department of Defense A$5.6m subcontract successfully completed on time and on budget. IP 100% owned by XRG. Resulted in:
  - Commercialisation of MR-1 mixed reality training system. .
  - First sale to new DoD customer
- First contracts outside the US and Australia delivered through distribution partners into Swedish Armed Forces and a Japanese government agency.

PARTNERSHIPS AND INVESTMENT

- Non-binding MOU with Thales Australia signed June 2026. Potential access to military programs of a scale difficult to reach standalone.
- $2.1m Industry Growth Program grant funding expanded manufacturing capability, cyber security and quality certifications required for larger defence contracts.
- Satellite office established in Melbourne and the Operator XR team expanded, with a particular focus on engineering and product development.

COMPETITIVE ADVANTAGE

1) Established US market position, expanding enterprise customer base and performance track record with Tier 1 projects
2) Leadership with real-world mission-critical operational expertise
3) Integrated platform combining hardware, software and AI simulation
4) High switching costs and barriers to entry
5) Scalable training ecosystem with a recurring revenue model

DELIVERING ON DEMAND AND CAPABILITY

- **OP-2:** Core VR tactical training system, deployed across 108 US customers and into European and Asia Pacific markets
- **MR-1:** Mixed reality training in real world locations, first commercial US DoD sale in FY26
- **Interceptor C-UAS:** Counter-drone training system, maturing with strong interest from larger military programs
- **Sentinel:** Mobile and fixed streaming supporting multiple deployment types, enabling higher-fidelity training for larger customers and programs
- **AI Integration:** dynamic responses and actions fed into all products

Operator XR: Global Expansion

US core market scaling, with first European and Asia Pacific reference customers in FY26

UNITED STATES: CORE MARKET

- 108 US customers at 30 June 2026 across federal, state and local tiers, with units sold across 38 US states.
- First commercial sale of MR-1 to a US Department of Defense customer.
- More than 18,000 US agencies across local, county, state and federal levels, with each adopter acting as a reference customer.

ASIA PACIFIC

- First sale outside Australia into Japan through the APAC distribution partner.
- Business development activity in Taiwan, Philippines, South Korea and Singapore.
- Partner network supports scalable international deployment without material fixed cost additions.

EUROPE

- First contract with a NATO member's armed forces: an OP-2 system to a Swedish Armed Forces end user, approximately A$450k, via PROMOTEQ.
- Interceptor C-UAS has attracted strong interest from larger military programs.
- Showcased at major events across UK, France, Poland, and Germany during FY26.

COUNTER-UAS MARKET ENTRY

- Interceptor C-UAS launched in December 2025 and maturing for larger-scale defence applications.
- Rapid proliferation of low-cost drones is driving demand for C-UAS capability and the training that underpins it.
- Specialised weapon integration with a focus on military, law enforcement and key infrastructure security tactics and procedures development.

Capability: Proven Platform, Expanding Fit

OPERATOR XR PLATFORM The proprietary simulation engine beneath every product

Multi-user networking · Scenario authoring tools & instructor control · Performance Analytics · Offline operation. · Scalable architecture, layered sales and opportunities

OP-2: CORE VR PRODUCT

WHAT IT DOES

Deployable VR tactical training. Fast setup, scenario customisation, immersive training outcomes at scale.

COMMERCIAL PROOF

118 customers and growing. Texas DPS validates scale step-up, ALERRT partnership validates long term strategic value.

GROWTH DRIVER

Deepening the installed base as new capabilities attached to the platform.

MR-1: BUILT FOR US DOD

WHAT IT DOES

Mixed reality tactical training; the digital threat layer to train complex highly immersive scenarios on real-world sites and assets.

COMMERCIAL PROOF

First independent commercial sale to a separate US DoD customer. Initial use cases across sensitive/critical assets, indoor/outdoor training.

GROWTH DRIVER

Defence program unlocks at higher contract values as product maturity advances. Expands military appeal across Operator XR suite.

INTERCEPTOR C-UAS: GLOBAL DEMAND

WHAT IT DOES

C-UAS training module for OP-2 and MR-1. Squad level training of C-UAS and multi domain threats in realistic, complex dismounted scenarios..

COMMERCIAL PROOF

Pipeline developing of larger military programs. Capability accretive to military sector appeal and expands program opportunity set.

GROWTH DRIVER

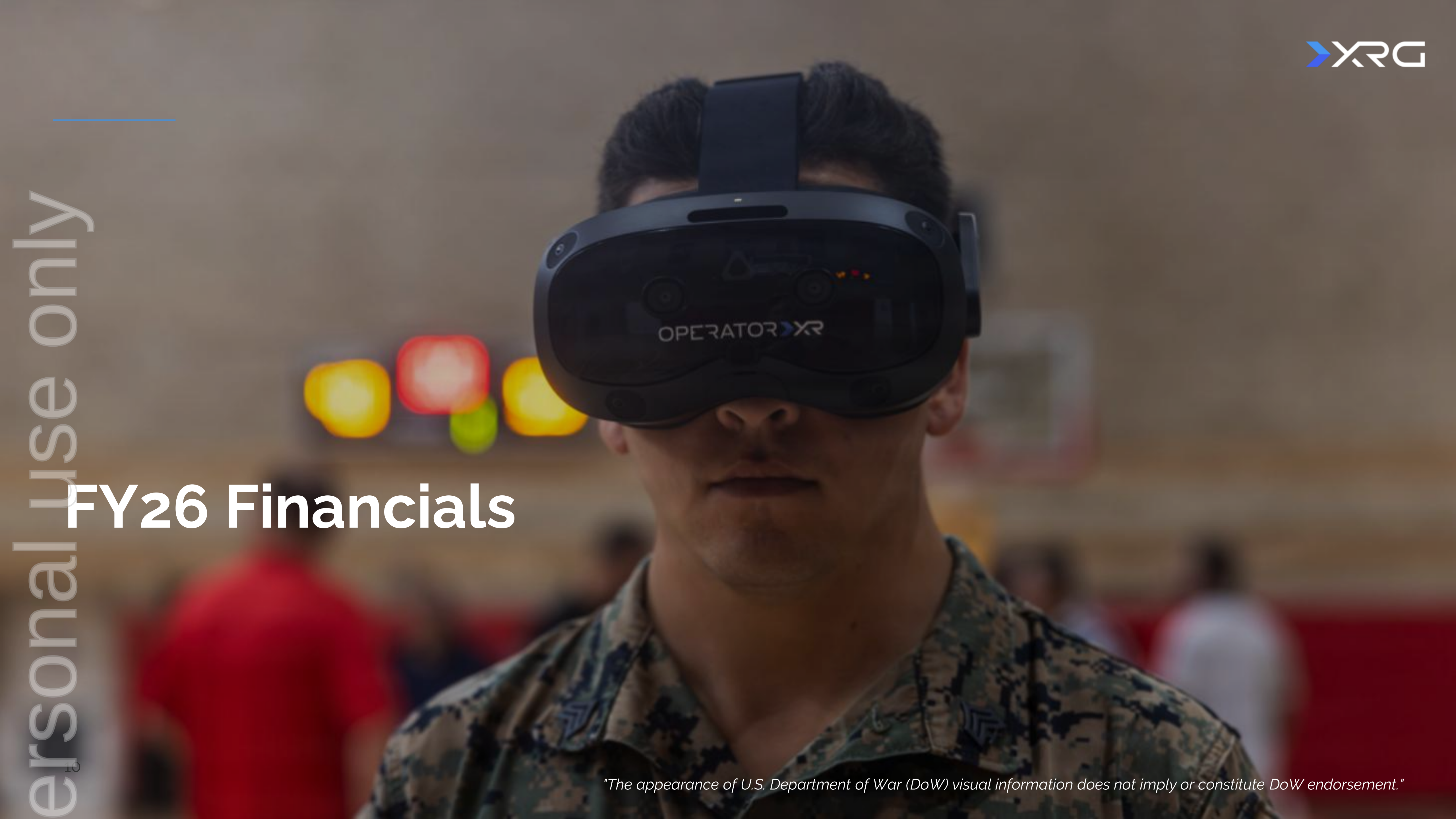
Rapid defence spend growth in C-UAS training. Expands functionality and modular / layered appeal across suite, extending to LE and other markets.

AI ENABLED

Adaptive characters improving training outcomes and the quality of each session delivered. Instructor augmentation to train more people, more often, at lower delivery cost per trainee.

SENTINEL POWER

Mobile and fixed PCVR streaming, enabling higher-fidelity training for larger customers and programs.



FY26 Financials

"The appearance of U.S. Department of War (DoW) visual information does not imply or constitute DoW endorsement."

Profit & Loss

FY26 Total Income $20.0m and EBITDA $3.8m

- Revenue of $15.1m, up 19% PcP, driven by Operator XR, within total income of $20.0m, up 43% PcP.
- Gross Margin of 78%
- EBITDA of $3.8m, almost seven times the $0.6m recorded in FY25. EBITDA margin of 25.3% against 4.4%, reflecting operating leverage as Operator XR scales.
- Net loss of $0.1m, a $3.0m improvement on the FY25 net loss of $3.1m.
- Key metrics for the year include:
  - Qualified sales pipeline increasing to $80.4m (+165% PcP)
  - ARR of $8.0m at 30 June 2026 (+70% PcP)
  - 118 individual agencies (+76% PcP)
  - Total Contract Value (new sales FY26) $13.0m (+15% PcP)
- Other income consists of grants related to Operator XR growth and product development $4.9m (RDTI and Industry Growth Program). RDTI includes FY25 and provision for FY26.
- Operator XR recognised revenue and grants contributed $12.6m, or 63% of FY26 total income.
- Entertainment contributed $7.3m of revenue and remains cashflow positive

Profit and Loss ($m)	FY26	FY25	Δ *pcp*
Enterprise (Operator XR) revenue	7.8	5.1	*52.3%*
Entertainment revenue	7.3	7.6	*(3.3%)*
Revenue	**15.1**	**12.7**	***19.1%***
Costs of Sales	(3.3)	(2.4)	*37.1%*
Gross Profit	**11.8**	**10.3**	***14.8%***
Other Income	4.9	1.3	*289.4%*
Selling and marketing expenses	(7.7)	(6.7)	*14.4%*
Administration expenses	(3.8)	(3.0)	*25.1%*
Other expenses	(1.5)	(1.3)	*15.1%*
Expenses	**(12.9)**	**(11.0)**	***17.4%***
EBITDA	**3.8**	**0.6**	***580%***
Depreciation and Amortisation	(2.4)	(1.9)	*26.4%*
EBIT	**1.4**	**(1.3)**	***+2.8m***
Finance Expense	(1.5)	(1.8)	*(15.5%)*
PBT	**(0.1)**	**(3.1)**	***+3.0m***
Tax	(0.0)	-	*nm*
NPAT	**(0.1)**	**(3.1)**	***+3.0m***
Basic EPS (cents per share)	(0.02)	(0.54)	+0.52
Diluted EPS (cents per share)	(0.02)	(0.51)	+0.49
EBITDA %	25.3%	4.4%	20.8%

Totals may not sum due to rounding.

Balance Sheet

Deferred revenue $15.5m at 30 June 2026, up 110% PcP, with cash steady at $2.7m

Strong growth in Revenue Pipeline

- Deferred revenue increased to $15.5m, current and non-current, up 110% from $7.4m, demonstrating forward contracted revenue and increasing earnings visibility.

Improving liquidity and working capital position

- Cash of $2.7m at 30 June 2026 with total current assets of $9.2m, up 61% PcP, and net operating cashflow of $5.5m.

Continued investment in technology and platform capability

- Intangible assets of $12.6m, up 72% PcP, reflecting $6.0m invested in proprietary software and platform development aligned to the Operator XR strategy.

Continued debt reduction

- Borrowings of $4.7m following repayments through FY26. The Causeway facility stands at $4.65m, is classified as current and matures in April 2027, with refinancing process underway with lender discussions progressing.

Net asset position strengthened

- Net assets of $14.0m, up 22% from $11.5m at 30 June 2025.

Balance Sheet ($m)	Jun-26	Jun-25	Δ
Cash and cash equivalents	2.7	2.8	*(2.5%)*
Trade and other receivables	3.8	1.7	*131.5%*
Inventories	0.8	0.3	*122.9%*
Contract assets	1.9	0.9	*101.2%*
Current Assets	**9.2**	**5.7**	***60.8%***
Property, plant and equipment	17.8	18.2	*(2.2%)*
Intangible assets	12.6	7.3	*72.2%*
Right-of-use asset	12.5	12.2	*2.0%*
Contract assets	1.5	1.1	*35.6%*
Other financial asset	0.0	0.0	*(77.2%)*
Non-Current Assets	**44.4**	**38.9**	***14.1%***
Total Assets	**53.6**	**44.6**	***20.1%***
Trade and other payables	2.7	5.0	*(46.2%)*
Deferred revenue	15.5	7.4	*109.8%*
Borrowings	4.7	5.0	*(5.9%)*
Lease liabilities	14.9	14.6	*2.3%*
Provisions	1.7	1.2	*47.7%*
Total Liabilities	**39.6**	**33.1**	***19.4%***
Net Assets	**14.0**	**11.5**	***22.0%***

Totals may not sum due to rounding.

Cashflow

Receipts from customers $24.2m, up 29% PcP, net operating cashflow $5.5m, up 67% PcP

Record customer cash receipts

- $24.2m in receipts from customers, up 29% PcP, the highest level achieved to date and driven by Operator XR demand.

Strong positive operating cash generation

- Net operating cash inflow of $5.5m, up 67% PcP, demonstrating improving cash conversion and a scalable operating model.

Operator XR driving Group cash generation

- Operator XR contributed $15.9m of FY26 receipts, 67% of the Group total, against 49% in FY25.

Investment into future growth

- $6.0m invested into XR product development and intellectual property during FY26, up 156% PcP.

Increasing market penetration and customer growth

- Cash inflows supported by an expanding customer base of 118 agencies at 30 June 2026 and continued global market expansion.

Cash Flow ($m)	FY26	FY25	Δ pcp
Receipts from customers	24.2	18.7	*29.2%*
Payments to suppliers and employees	(20.8)	(14.9)	*39.7%*
Grant and other operational income	3.0	0.2	*+2.8m*
Finance costs	(0.8)	(0.7)	*13.3%*
NCF from Operating activities	**5.5**	**3.3**	***66.8%***
Purchase of PP&E	(0.7)	(0.2)	*293.1%*
Payment for investment	(6.0)	(2.4)	*156.5%*
NCF (used in) Investing Activities	**(6.7)**	**(2.5)**	***165.6%***
Net Proceeds from issue of securities	2.2	0.5	*298.0%*
Net proceeds of borrowings	(0.3)	0.9	*(1.2m)*
Repayment of lease liability	(0.8)	(0.8)	*(4.1%)*
NCF (used in) Financing Activities	**1.1**	**0.6**	***75.5%***
Net Change in cash	(0.1)	1.4	*(1.5m)*
Cash at beginning of year	2.8	1.4	*104.0%*
Cash at end of Year	**2.7**	**2.8**	***(2.5%)***

Totals may not sum due to rounding.

Operator XR: Outlook

Operator XR Roadmap

From first US entry in FY23 to 118 customers and $8.0m ARR base in FY27

	FY23	FY24	FY25	FY26	FY27 OUTLOOK
Operational Roadmap	• First US market entry establishing credibility • First US law enforcement sale secured • First major Australian law enforcement deployments	• US market entry established with dedicated sales and operations capability • Established regional distributors in Asia and Europe • Expansion of enterprise customer base and increasing deal size	• Strong US law enforcement and defence customer adoption • Operational cashflow positive • Capitalising on rapid early progress in the US	• US DoD subcontract delivered in full, on time and on budget • First NATO and Asia Pacific contracts, non-binding MOU with Thales Australia • Group EBITDA up almost seven-fold to $3.8m	• Target larger defence programs in C-UAS and tactical training • Build on European and Asia Pacific wins • Progress global Thales MOU opportunities • Grow US, engineering and AI teams
Financial Roadmap	• Contracted TCV of $1.4m • 3 global customers • Revenue $0.6m • ARR of $0.4m	• Contracted TCV of $4.1m • 29 global customers • Revenue $0.7m • ARR of $2.2m	• Contracted TCV of $11.3m • 67 global customers • Revenue $5.1m • ARR of $4.7m	• Contracted TCV of $13.0m • 118 global customers • Revenue $7.8m • ARR of $8.0m	• Qualified pipeline of $80.4m • Deferred revenue of $15.5m • Pursue larger scale Military tenders

Since launch in FY22, Operator XR has scaled from initial deployments to a globally expanding mission-critical training platform serving defence and law enforcement markets.

OP-2 Total Addressable Market

1% of Global Market = US$207m ARR

1. Operator XR Pty Ltd Sydney, AUS
2. Operator XR LLC Virginia, USA

Total Addressable Market	Annual Recurring Revenue > Market Share Sensitivity (USD$m)					
	1%	3%	5%	10%	20%	Total Market (m)
Law Enforcement						
United States	11	32	53	106	213	1,063
Rest of the World	18	53	88	176	353	1,764
Law Enforcement ARR	*29*	*85*	*141*	*282*	*566*	*2,827*
Military						
United States	81	242	403	806	1,611	8,055
Rest of the World	94	282	470	941	1,881	9,406
Military ARR	*175*	*524*	*873*	*1,747*	*3,492*	*17,461*
Tier 1 Security						
United States	0	1	2	4	7	36
Rest of the World*	0	1	2	4	9	44
Tier 1 Security ARR	*0*	*2*	*4*	*8*	*16*	*80*
Corrections						
United States	2	5	9	17	34	170
Rest of the World*	1	3	4	9	18	90
Corrections ARR	*3*	*8*	*13*	*26*	*52*	*260*
Combined						
United States	94	280	467	933	1,865	9,324
Rest of the World*	113	339	564	1,130	2,261	11,304
Total ARR	**207**	**619**	**1,031**	**2,063**	**4,126**	**20,628**

$20.63 BN OP-2 addressable market across military, law enforcement, Tier 1 security and corrections.

**ROW = UK, Australia, NZ, Singapore, South Korea, Japan, India, Philippines, Europe, Canada, Turkiye*

SOURCES - LE (US): Urban Institute / US Census Bureau state & local justice expenditure; BJS LEMAS training expenditure series; BJS CSLLEA 2018 (pub. 2022), 17,541 agencies and 787,565 sworn; ResearchAndMarkets Jul 2025; Coherent Market Insights; VirTra FY2025 SEC filing; USAspending.gov / FPDS. LE (RoW): Eurostat crim_just_job and COFOG; UK Home Office Police Workforce; PC RoGS 2026; NZ Police Annual Report 2025; SPF / MHA Singapore; KNPA Korea; NPA White Paper Japan; BPR&D India; PNP / DBM Philippines; Statistics Canada 35-10-0076-01. Military (US and RoW): NATO Secretary General's Annual Report 2025, Tables 2 and 7 (2025e); SIPRI; DoD J-Books with PEO STRI and NAWCTSD programme data; UK MOD Quarterly Service Personnel; NZDF Annual Report 2025. Tier 1 Security: UK MOD FOI2023-01792; GAO-15-808R; GAO-25-108085; EGM Ozel Guvenlik statistics 3 Aug 2026; Prosegur FY2024; Securitas AB Annual Report 2025; Robert H. Perry & Associates U.S. Contract Security Market White Paper 17th ed. Sept 2025; Security magazine Security Benchmark Report 2022/2024/2025; UK SIA ARA 2024-25 and SFJ Awards 610/6361/7; Pazzona & White 2024; Eurostat sbs_ovw_act; BLS OEWS May 2025. Corrections: BJS Census of Adult Correctional Facilities 2019 and Census of Jails; Council of Europe SPACE I 2025; US Census state & local finance FY2024; BOP FY2025 enacted; RoGS 2026; StatCan; CDCR, TDCJ and PA DOC training appropriations; Fed H.10.

Interceptor C-UAS Total Addressable Market

1% of Global Market = US$29m ARR

1. Operator XR Pty Ltd Sydney, AUS
2. Operator XR LLC Virginia, USA

Total Addressable Market	Annual Recurring Revenue > Market Share Sensitivity (USD$m)					
	1%	3%	5%	10%	20%	Total Market (m)
Law Enforcement						
United States	2	5	9	18	35	177
U.K. & Europe	1	2	4	8	16	81
Asia Pacific	0	1	2	4	8	39
Law Enforcement ARR	*3*	*8*	*15*	*30*	*59*	*297*
Military						
United States	14	41	69	137	274	1,371
U.K. & Europe	7	21	35	71	141	705
Asia Pacific	3	10	16	32	64	322
Military ARR	*24*	*72*	*120*	*240*	*479*	*2,398*
Tier 1 Security						
United States	1	2	4	7	15	75
U.K. & Europe	1	2	3	6	12	58
Asia Pacific	0	1	1	2	4	20
Tier 1 Security ARR	*2*	*5*	*8*	*15*	*31*	*153*
Corrections						
United States	0	1	2	4	7	36
U.K. & Europe	0	1	1	3	5	27
Asia Pacific	0	0	0	0	1	3
Corrections ARR	*0*	*2*	*3*	*7*	*13*	*66*
Combined						
United States	17	49	84	166	331	1,659
U.K. & Europe	9	26	43	88	174	871
Asia Pacific	3	12	19	38	77	384
Total ARR	**29**	**87**	**146**	**292**	**582**	**2,914**

$2.91 BN C-UAS addressable market across military, law enforcement, Tier 1 security and corrections.

SOURCES - 6 U.S.C. 124n as amended by the SAFER SKIES Act (18 Dec 2025) and 6 CFR Part 124 (eff. 1 Jul 2026); DHS/FEMA C-UAS Grant Program, US$500m with training an allowable cost; 1,497 drone incidents recorded in England & Wales in the 12 months to March 2026. Tier 1 Security C-UAS (Tier1_Security_CUAS_TAM_Extract_v1_1): GAO on FPS contract Protective Security Officers; USSS Protective Countermeasures Division; USMS Judicial Security Division; Diplomatic Security; PFPA; CISA-designated critical-infrastructure sites; Civil Nuclear Constabulary; MOD Police and Guard Service; SOP Poland; KMar BSB; CER-designated CI guarding; Korea statutory special guards; AFP Specialist Protective Command; Singapore licensed auxiliary police. Corrections C-UAS (Corrections_CUAS_Training_TAM_Model_v1_1): BJS Census of Adult Correctional Facilities 2019 - 376 maximum, 451 medium and 287 minimum security US confinement facilities plus 2,850 jail jurisdictions; SI 2023/1101, 116 UK establishments with statutory restricted fly zones; facility counts France 187, Germany 179, Italy 189, Australia 89, New Zealand 18, Singapore 13, Canada 216.

Operator XR Outlook

FY27 priorities: Continued US growth | international conversion | larger defence contracts

COMMERCIAL PRIORITIES

- Continued expansion of the US customer base across federal, state and local agencies.
- Conversion of the European and Asian reference wins into a broader international customer base.
- Progression of the non-binding MOU with Thales Australia into program opportunities.
- Disciplined execution of sales activities to secure the pipeline of $80.4m and continued focus on targeted account demand generation.
- Core US law enforcement business defended and grown across 108 customers in 38 states.
- Push into military contracts of record, building on the delivered $5.6m US DoD program.

PRODUCT PRIORITIES

- Further OP-2 iterations planned for FY27, the current sales driver.
- Commercialisation of Interceptor C-UAS and MR-1 into new customers and differentiated use cases, including larger-scale defence applications.
- Continued AI integration across adaptive learning, scenario generation and automated instructor workflows, supporting lower delivery cost and improved training outcomes.
- Capability matched to live RFPs and tender requirements across military, law enforcement, corrections, and security of critical infrastructure.
- Current conflicts and rising drone incidents continue to shape the FY27 capability roadmap.

MARKET BACKDROP

- Critical infrastructure protection expanding across government sites, utilities and nuclear facilities.
- Tier 1 security and corrections form a parallel demand pool, including 2,850 US jail jurisdictions.
- Rapid proliferation of low-cost drones is driving demand for C-UAS capability and the training that underpins it.
- SAFER SKIES Act ties US counter-drone authority to certified training across a buyer pool of roughly 18,000 law enforcement agencies and 6,000 correctional facilities.
- $20.63bn OP-2 and $2.91bn C-UAS addressable markets; 1% capture equals US$207m and US$29m ARR.

Contact

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OP-2 System

Operator XR: OP-2

- Trainees use their own service weapons and equipment, converted to dry-fire mode with recoil. True integration of combat equipment for immersive near-real experience.
- Users can upskill tactics, techniques and procedures while operating safely in simulated high-stress and high-risk simulated environments.
- Fully mobile system can be deployed at small sites through to large government agencies at scale.
- System operates offline with no I.T. support required.
- Extensive After-Action Review for deep learning outcomes.

Under 25kg single transit case

1–8 trainees per system

Fully offline no IT support

OP-2 Software

Operator XR: OP-2 Scenario Creator Suite

- Instructors can design fully customised and interactive training environments for their unique requirements.
- Library of high-quality pre-built scenes and interactive props, including vehicles, forensic evidence, cover options, and everyday objects.
- Accurately recreate real-world floor plans, from simple structures to complex facilities.
- Adapt the environment in real-time to challenge trainees and address specific training needs as they arise.
- Instructor-controlled characters and ability to act as real-life suspects using a role player headset for de-escalation and critical thinking skills.

New Product | MR-1

Operator XR: Mixed Reality tactical training system

- MR-1 operates in real-world locations including bases, shoot houses, transit hubs, nuclear facilities, embassies and critical infrastructure, removing the need for a dedicated VR facility.
- MR-1 provides the digital threat layer to train in the real, physical world. This unlocks immersive training scenarios on physically large-scale infrastructure sites, outdoor MR (which VR cannot service) and in-situ critical facilities.
- MR-1 supports XRG to help customers 'train as you fight', narrowing the gap between training fidelity and capability responding to real-world threats.
- New segments opened include all military and law enforcement agencies that train in real locations or have existing training facilities.
- Operator XR is differentiated by its training stack and a completed DoD-funded R&D program that has already converted into a commercial sale.
- No credible dismounted MR training product exists at scale, tackling an unaddressed training opportunity.

New Product | OP-2 Interceptor

C-sUAS training that outpaces the threat

- The Operator XR CUAS Trainer is a highly portable, single or multi-user virtual reality training system that enables operators to develop and rehearse Counter-UAS tactics, techniques and procedures in a safe and cost-effective environment.
- Unlimited repetitions of Detect–Identify–Track–Defeat sequences at a fraction of live-fire costs, accelerating operator proficiency and increasing training throughput.
- Scalable: sets up in under two minutes, runs multiple concurrent sessions and trains anywhere without fixed facilities or equipment, in any weather.
- Secure: fully offline with no internet required, developing C-UAS TTPs with OPSEC in mind.
- Immersive: configurable threat library spanning armed FPV, ISR, nuisance and reconnaissance drones, expandable as the threat library grows.
- Powerful after-action review: replay from user, third-person, drone and top-down views, with objective data on shot accuracy, weapon angles and critical events.