

Press release
27 November 2020



Realfiction completes a heavily oversubscribed directed issue of units of SEK 35.8 million and issues warrants to existing shareholders

Not for release, publication or distribution in whole or in part, directly or indirectly, in the United States, Australia, Canada, New Zealand, Hong Kong, Japan, Singapore, South Africa, South Korea or any other jurisdiction where such release, publication or distribution would be unlawful or would require registration or any other measures. Please refer to important information at the end of the press release.

Realfiction Holding AB ("Realfiction" or the "Company") hereby announces that the Company has carried out a directed issue of 400,000 units (the "Directed Issue"). The investors in the Directed Issue consists of Tamarind Limited and Formue Nord Markedsneutral A/S. One unit consists of five (5) shares and two (2) warrants of series TO1. Additionally, the Company has resolved to issue and allocate one (1) warrant of series TO1 to current shareholders for every twenty-two (22) shares owned on the applicable record date.

The board of directors of Realfiction has, based on the authorization given by the extraordinary general meeting on 18 November 2020, resolved on and carried out the Directed Issue. The subscription price in the Directed Issue was set to SEK 89.50 per unit, corresponding to SEK 17.9 per share. The warrants are issued free of charge. The Company will initially receive SEK 35.8 million from the Directed Issue before deduction of transaction costs.

The board of directors of Realfiction assesses, given that the Directed Issue was carried out through an accelerated book-building procedure (conducted by Mangold Fondkommission AB), that the Directed Issue has been carried out in accordance with prevailing market conditions.

The rationale for deviating from the shareholders' preferential rights is to broaden the shareholder base, as well as the fact that a directed issue provides the opportunity to, at favorable terms, raise capital in a time- and cost-effective manner. This is in line with the assessment of the Company's board of directors that it is in the Company's and the shareholders' best interest to carry out an issue with deviation from the shareholders' preferential rights and in accordance with prevailing market conditions.

The proceeds from the Directed Issue and the warrants will be used for a continued development of the ECHO 3D technology while simultaneously continue the sales of the Company's current mixed reality products. Realfiction's patent pending ECHO technology holds the potential to revolutionize the flatscreen market, by solving the problem of creating mass-produced and low-cost holographic televisions and monitors in high resolution and for multi-user scenarios without the need for head borne 3D-glasses or headsets. Finding such a solution is a current focus for the leading display manufactures.

The Directed Issue entails an initial dilution of 11.1 percent of the number of shares and votes in the Company. Through the Directed Issue, the number of outstanding shares will increase by 2,000,000 from

16,011,363 to 18,011,363. The share capital will increase by SEK 200,000 from SEK 1,601,136.3 to SEK 1,801,136.3. The issue costs amount to approximately SEK 1.9 million.

The Directed Issue will be registered after the warrants of series TO1, issued to current shareholders, are registered. This entails that investors in the Directed Issue will not receive additional warrants in capacity as shareholders in the Company on the applicable record date

Warrants to current shareholders in Realfiction

The board of directors of Realfiction has also decided to issue warrants of series TO1 (same series as in the Directed Issue) to the Company, which on the record date will be granted free of charge to current shareholders in Realfiction. The warrants will, to some extent, compensate current shareholders in the Company for the dilution in the Directed Issue.

The record date for the allotment of the free of charge warrants of series TO1 will be announced as soon as it is determined. The current shareholders of Realfiction will receive one (1) warrant of series TO1 for every twenty-two (22) held shares on the record date. Round down will be applied if necessary.

Terms and information regarding warrants of series TO1

A total of 1,527,789 warrants of series TO1 will be issued, where 800,000 are allotted to investors in the Directed Issue and 727,789 to be allotted to current shareholders in the Company.

Each warrant of series TO1 will give the holder the right to subscribe for one (1) new share in Realfiction during the period from 9 November 2021 until and including 22 November 2021 to a subscription price corresponding to the following:

70 percent of the volume weighted average price of the Company's share during the period from 25 October 2021 until and including 5 November 2021. The subscription price shall never be determined to a higher amount than SEK 26.85.

Warrants of series TO1 will, upon full exercise, provide the Company additional funds of a maximum of approximately SEK 41.0 million, based on the maximum subscription price. The actual issue amount will depend on subscription price in the Directed Issue.

Upon full exercise of the warrants of series TO1, the dilution will amount to approximately 7.8 percent, calculated in proportion to the number of shares in the Company following the registration of the new shares of the Directed Issue. Upon full exercise of warrants of series TO1, the number of outstanding shares will increase by 1,527,789 from 18,011,363 to 19,539,152 and the share capital will increase by approximately SEK 152,778.9 from approximately SEK 1,801,136.3 to approximately SEK 1,953,915.2.

CEO comment

"Through this directed issue, which includes warrants with an exercise period next year to potentially minimize the dilutive effect for our existing shareholders, we have now secured the funding needed to complete our ECHO 3D display technology to a point where it can be integrated into future displays targeted at consumer and enterprise audiences. Furthermore, the profiles of the two investors in this directed issue confirm the strong support we are receiving from professional and tech-savvy investors. One of them is a Danish investment fund, while the other is an investment company controlled by a tech-savvy investor who

does not want to step forward just yet. This investment company also participated in the directed issue that we conducted in November 2019. I want to thank the whole Realfiction team, our global partners and all our current shareholders for your valuable contribution that has already taken us far, and I welcome all existing and new shareholders on board for the next chapter in Realfiction's journey, with the aim of truly making our mark in the 3D history books," says Realfiction's CEO Clas Dyrholm.

Advisor

Mangold Fondkommission AB is the sole bookrunner and financial advisor and Eversheds Sutherland Advokatbyrå AB is the legal advisor in connection with the Directed Issue.

For more information about Realfiction Holding AB, please contact:

Clas Dyrholm, founder and CEO

Telephone: +45 25 22 32 81

Email: clas@realfiction.com

www.realfiction.com

Certified Adviser

Mangold Fondkommission AB is the Company's Certified Adviser and can be contacted via ca@mangold.se or +46 8 503 015 50.

This information is such that Realfiction Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 19:45 CET on 27 November 2020.

About Realfiction Holding AB

Founded in Denmark in 2008, Realfiction is a leading innovator and provider of Mixed Reality solutions and services, a market estimated to reach USD 80 billion by 2025. Realfiction continues to invent technologies within Mixed Reality, with an intention to disrupt the industry by pursuing the vision of converting science fiction into real fiction. Realfiction Holding AB's share is publicly traded on Nasdaq First North Growth Market under the symbol "REALFI". The share's ISIN code is SE0009920994.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Realfiction in any jurisdiction, neither from Realfiction nor from someone else.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Mangold Fondkommission AB is acting for Realfiction in connection with the Directed Issue and no one else and will not be responsible to anyone other than Realfiction for providing the protections afforded to its clients nor for giving advice in relation to the Directed Share Issue or any other matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any

securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, New Zealand, Hong Kong, Japan, Singapore, South Africa, South Korea or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Realfiction has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless required by law or Nasdaq First North Growth Market regulations.