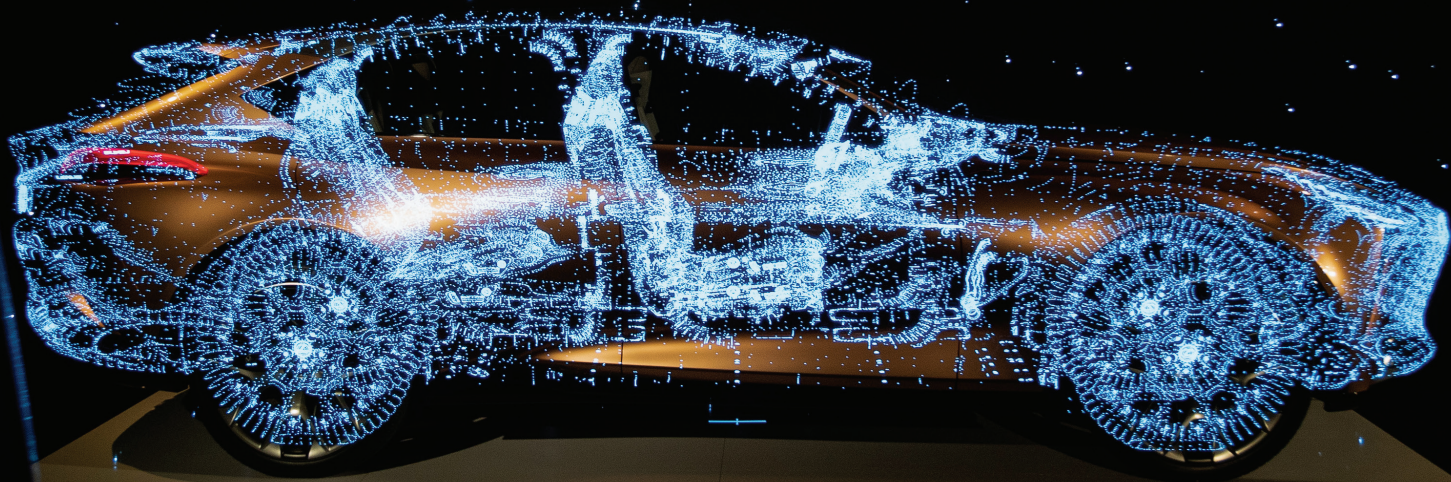


# INVITATION TO SUBSCRIBE FOR SHARES IN REALFICTION HOLDING AB

## EXECUTIVE SUMMARY



SUBSCRIPTION PERIOD 25 APRIL - 10 MAY 2019



### IMPORTANT INFORMATION

The information in this brochure represents only a simplified description of the offer to subscribe to shares in Realfiction Holding AB. The brochure does not contain all the information required for an investment decision, and does not constitute a prospectus in accordance with the Prospectus Directive (2003/71/EC). For full details and terms and conditions please refer to the investment memorandum drawn up by the Board of Directors of Realfiction Holding AB. This can be downloaded at [www.realfiction.com](http://www.realfiction.com). The brochure, memorandum, application forms or other documents related to the offer may not be distributed in any country in which the distribution or the offer pursuant to the memorandum requires action as above or contravenes the regulations in such country. Every investment decision must be based on an assessment of the content of the memorandum as a whole. To the extent that the information in this brochure differs from the information in the memorandum, the information set out in the memorandum shall apply. Neither Realfiction Holding AB nor the issuing agent Eminova Fondkommission AB provide any guaranties, expressed or implied, regarding the information contained in this brochure.

# BACKGROUND AND REASONS

## INTRODUCTION

Realfiction, founded in Denmark in 2008, is an innovator and provider of Mixed Reality solutions and services, a market estimated to reach USD 80 billion by 2025<sup>1</sup>. Mixed reality is the concept of blending the physical world with the digital world through the use of technology. Realfiction has taken this concept into the creative marketing industry where companies can use Realfiction's 3D holographic displays to promote in a unique way with seemingly "free-floating" 3D holograms that explain details, features, and unique selling points. The Company develops, sells and rents out Mixed Reality products and services based on patented and design protected hardware platforms developed over more than a decade.

The company's Mixed Reality displays are especially well-suited for social environments as they do not require special glasses or other accessories.

## STEP-UP-19 STRATEGY

In October 2018, Realfiction announced a strategy for current business activities and future Mixed Reality technologies, titled "STEP-UP-19". Realfiction's STEP-UP-19 strategy has the following major new components:

### Magic-as-a-Service

Magic-as-a-Service is a scalable concept that does not require purchase of Realfiction hardware, which previously was Realfiction's main business model. The company will invest additional resources in Magic-as-a-Service for the retail and expo industries - its current commercial attention areas.

Currently, Magic-as-a-Service is available for the retail industry in Denmark and the Nordic countries, with a forthcoming marketing event to the entire European market in May 2019. Magic-as-a-Service for the expo industry is available worldwide, directly and via our world-wide partner network.

### Project Echo

The company will invest additional resources in innovation. More specifically, the company has launched Project Echo, which focuses upon the development of a holographic technology that makes it possible for a group of people to experience and interact with holographic effects in open space, without any physical media or lens between them and the effects. This has historically been an unattainable vision for the industry that most people are aware of from science fiction movies.

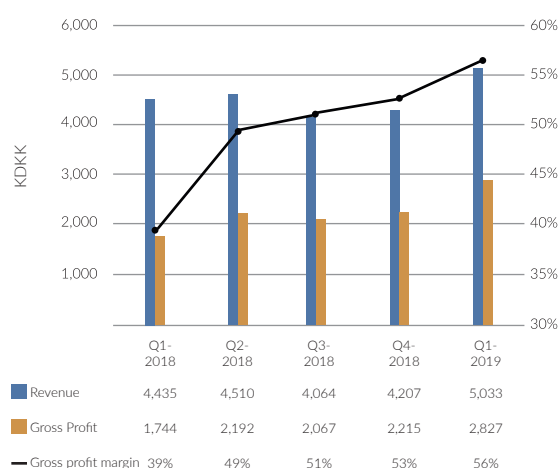
## STEADY GROWTH

Based on preliminary unaudited financial data, the Company expects revenue for the first quarter of 2019 will be KDKK 5,033 (KSEK 7,024). Compared to the average revenue of the previous 4 quarters, this represents an increase of 17% from KDKK 4,304.

Due to the continued acceleration of the Company's Magic-as-a-Service activities, gross profit and the gross profit margin has increased to KDKK 2,827 (KSEK 3,942) and 56% from an average of the previous 4 quarters of KDKK 2,055 and 48%.

The gross profit margin percentage varies from quarter to quarter based on sales mix, and continued growth as experienced lately cannot be guaranteed. It is nevertheless of significance that the gross profit margin in Q1-2019 has increased by 8 percentage points relative to the 2018 average, corresponding to a relative increase of almost 17%. It is also worth noticing that the Magic-as-a-Service concept is still in its early days.

The development in revenue, gross profit and gross profit margin is illustrated below:



## USE OF PROCEEDS

The proceeds will, according to the Board of Directors of Realfiction's assessment, be sufficient to deliver a proof-of-concept for Project Echo during 2019 and to expand its Magic-as-a-Service concept to the Nordic countries and beyond, making the Company's Sales Activities (as defined on page 51 of the memorandum) cash flow positive on a monthly basis by the end of 2019.

The proceeds will, in more detail, be used according to the following allocation:

- Marketing and sales of Magic-as-a-Service: 50 percent
- Research and development of primarily Project Echo and existing products: 50 percent

Helsingborg, 24 April 2019  
Realfiction Holding AB

## THE BOARD OF DIRECTORS

Michael Kjær, Søren Jonas Bruun, Peter Max,  
Peter Bugge Johansen, Clas Dyrholm, Peter Simonsen

# COMMENTS BY THE CEO

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**OUR DNA:** The Realfiction DNA is to develop and commercialize immersive display technologies and to create long-lasting appeal and relevance. We have done this consistently since the launch of our first products more than 10 years ago and since then we have sold more than 10.000 displays to customers and partners around the globe including many of the largest brands of the world. This development has only accelerated since our IPO in the summer of 2017.

**STRONGER TEAM:** Let me start with our world class team. We have been joined by more talent in sales, content development and at the management level, including our CFO and COO adding power to strategies, planning and execution. Last but not least, our innovation team has been strengthened by an immensely talented key-person, enforcing our extremely interesting "Project Echo".

**GROWTH:** Revenue grew by 46% in 2018 compared to 2017. During 2018, we successfully launched our "Magic-as-a-Service" (MaaS) business model, combining our display technologies with our 3D-content creation skills into one effective service model. We also established the world's first Mixed Reality Media Channel for retailers. This has become a turning point for us. We have had very successful end-customer feed-back, quoting as much as a doubling of end-product sales. The positive development has continued into Q1-19 and we have now seen 4 quarters in a row with improved gross profit margin and our pipeline continues to grow. This leaves our Sales Activities (as defined on page 51) on track for a positive cash flow on a monthly basis by the end of 2019.

**100 MDKK WITH MAAS:** With proof that MaaS works, we announced our "STEP-UP-19" strategy in Q4-18 along with the goal to reach a revenue runrate of 100 million DKK per year within 2-3 years. We also announced our intention to raise more capital to make this possible. We are doing that now and about half of the capital will be invested in international acceleration of Magic-as-a-Service.

**100 mUSD with Echo:** Another major part of our STEP-UP-19 strategy is "Project Echo" that has the potential to grow well beyond Realfiction, as we know it today. Imagine flatscreen surfaces in different sizes, from handhelds to entire walls, that make 3-dimensional images stand out and allow people to move around virtual objects from different angles. Imagine the visual effects from sci-fi movies and TV-series, now in real life and without glasses, where multiple people stand around a table and interact with a 360-degree digital hologram interface. The possibilities of the new technology are so versatile across a large range of verticals and user scenarios and the impact will be so groundbreaking if we succeed, that the industry giants will be unable to ignore the advantage they could gain by securing the rights to use it in their particular industries. We have patented this technology and established a number of strategic development partnerships. And now the next step will be to reach the proof of concept due later this year, which will open the gates to commercial deployment and partnerships. It goes without saying that the other half of the proceeds from the current issue will be invested in Project Echo, which we believe is a 100 mUSD revenue opportunity.

We create magical moments through technology and you are cordially invited.

**CEO**  
Clas Dyrholm



**”WE CREATE  
MAGICAL  
MOMENTS  
THROUGH  
TECHNOLOGY.”**

CLAS DYRHOLM | CEO

# SUMMARY OF THE OFFERING

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## PREFERENTIAL RIGHTS

For each existing share held on the record date 23 April 2019, shareholders will receive 15 subscription rights for subscription of shares. 100 subscription rights entitles the holder to subscribe for one (1) new share. To the extent shares are not subscribed for with preferential rights, these shall be allocated to shareholders and other investors who have notified interest in subscribing.

## PRICE PER SHARE AND VALUATION

The price per share is 10 SEK. The total number of issued shares before the offering is 11.633.135, which implies a pre-money valuation of 116 MSEK.

## PROCEEDS

The issue consists of a maximum of 1,744,970 shares, corresponding to an amount of SEK 17,449,700 before issue related costs, if subscribed for in full.

## PRE-SUBSCRIPTION COMMITMENTS

Pre-subscription commitment of SEK 11,464,970 has been provided, corresponding to approximately 66 percent of the rights issue. The following private investors and companies have committed to pre-subscription.

## FINANCIAL INFORMATION

Annual Report 2018:	20 May 2019
Interim Report Q1:	29 May 2019
Annual General Meeting:	11 June 2019
Interim Report H1:	29 August 2019
Interim Report Q1-Q3 2019:	28 November 2019
Year-End Report 2019:	26 March 2020

## TIMETABLE

Last day of trading including the right to receive subscription rights:	17 April 2019
Record date for participation in the Issue:	23 April 2019
Subscription period:	25 April – 10 May 2019
Trading in subscription rights:	25 April – 8 May 2019
Trading in BTA:	From 25 April until the issue has been registered at the Swedish Companies Registration Office (Bolagsverket)

## OTHER INFORMATION

ISIN-code for the share:	SE0009920994
Market place for the share:	Nasdaq First North
Ticker symbol:	REALFI
ISIN-code for the subscription rights:	SE0012558740
ISIN-code for BTA's:	SE0012558757



## CONTACT

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