

ANNUAL REPORT 2024



EXTRACT OF THE OFFICIAL FINANCIAL
STATEMENTS IN SWEDISH

Realfiction Holding AB
559110-4616



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SUMMARY OF THE YEAR

Total revenue amounted to 18.6 MSEK (2023: 9.9 MSEK)

Result after financial items amounted to -22.8 MSEK (2023: -8.1 MSEK)

Gross profit totaled 13.7 MSEK (2023: 6.5 MSEK)

Gross profit margin was 73.4% (2023: 65.8%)

Earnings per share was -0.93 SEK (2023: -0.31 SEK)

The solvency ratio was 58.2% at the end of the year (2023: 75.4%)

Cash flow from operating activities amounted to -9.6 MSEK (2023: -2.3 MSEK)

Equity was 51.8 MSEK (2023: 67.5 MSEK)



Picture on front page: Realfiction and PlayNitride unveil the world's first glasses-free 3D MicroLED display at Touch Taiwan 2025, Taipei, Taiwan, April 2025.

Picture above: Realfiction team members celebrating significant progress, Taipei, Taiwan, January 2025.



CEO COMMENTS

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Based on commercial progress achieved, and major commercial traction in our focus segments, we believe that we are close to a commercial tipping point for DPT. While we wish the process to advance faster, we are confident that we will be able to generate NRE and up-front payments from multiple customer projects in 2025 and 2026, followed by per-unit license fees from commercial products beginning in late 2026 or early 2027.

Laying the foundation for future commercial success

The commercialization of our groundbreaking DPT platform was our main focus in 2024. Significant progress was made during the year, with several significant milestones achieved in the second half of 2024 and into 2025. However, management assesses that the overall result for 2024 is below expectations, as there had been hopes of entering into more commercial and revenue-generating agreements during the year. That said, the year also reflects substantial development progress and the establishment of important new partnerships, which together provide a satisfactory foundation for continued commercialization.

In January, we presented LCD, OLED and miniLED demonstrators during the Consumer Electronics Show (CES) in Las Vegas, and due to great interest, we held no less than 38 meetings during the CES week. This further ignited existing and new discussions with potential commercial partners, and we were able to present the first commercial DPT agreement with an undisclosed customer in September.

This first commercial DPT agreement was for a custom-made proof of concept, resulting in 7.4 MSEK in revenue received in December. This project, designed for potential use in gigantic future entertainment venues, demonstrated our ability to monetize our technology and execute complex engagements. We have recently highlighted LED walls as one of our commercial focus areas, together with automotive displays and MicroLED displays, with DPT having significant advantages in the

LED wall space such as full resolution and immersive features compared to current solutions. We are currently in discussions with providers of LED wall products and potential mass manufacturing partners. One LED wall provider is in the process of securing a budget and timeline for a mass-production product, and we aim to come to an agreement with a mass production partner in 2025.

Another significant milestone was achieved in January 2025, when we signed a license and collaboration agreement with Shantou Goworld Display Co. Ltd. (Goworld), a highly respected company in the display manufacturing industry. A dual-view center stack display is being tailored for leading automotive manufacturers and Tier 1 suppliers – a sought-after use case where we are seeing significant traction from the customer side. In addition to Goworld, we are in active discussions with two major groups of automotive brands and two major Tier 1 suppliers. A major driver of this interest is the fact that DPT presents a viable solution to handle current image quality and cost related challenges.

To further facilitate the commercialization of our DPT platform, we have developed a key component – a specialized 15-inch Spatial Light Modulator (SLM) compatible with LCD, LED/MicroLED, and OLED panels – which was presented in February 2025. Having this SLM available marks a major step forward in advancing several of our collaboration projects toward commercial implementation. This shows that DPT is such a mature technology that we are no longer talking about key components needed for real-world applications. Instead,

we now have these components and are working with our partners on fine-tuning and integrating them into potential display products.

The versatility of DPT, with significant benefits compatible with all three current major display panel technologies, was further proven when we and PlayNitride unveiled and presented the world's first MicroLED-based 3D display in April 2025. Due to the nature of MicroLED displays, current lenticular solutions for 3D displays are not suited for use with this display panel technology. DPT, however, overcomes these challenges as shown in this world's-first achievement. While MicroLED displays are not yet mainstream products, this achievement is strategically important, as MicroLED is considered by many to become an important display technology in the future. In the near term, we see a possibility for initiating cash-based NRE collaboration as a direct continuation of our previous barter-based NRE collaboration.

Positive cash-flow from our legacy mixed reality displays

While the commercialization of DPT is our major focus, our existing line of legacy mixed reality displays continues to be used in exciting ways by our partners and customers around the world. They are a strong testament to our ability to create high-quality display products with long-lasting commercial value, and thus a great facilitator when presenting the commercial strategy for our DPT platform for existing and potential partners. In 2024 and so far in 2025, this display portfolio has continued to deliver positive cash-flow. While we continue to value

this part of our business and the cash-flow it delivers, future revenue from this area is expected to be lower and more opportunity-driven than actively developed.

Financing plan presented to secure continued DPT commercialization

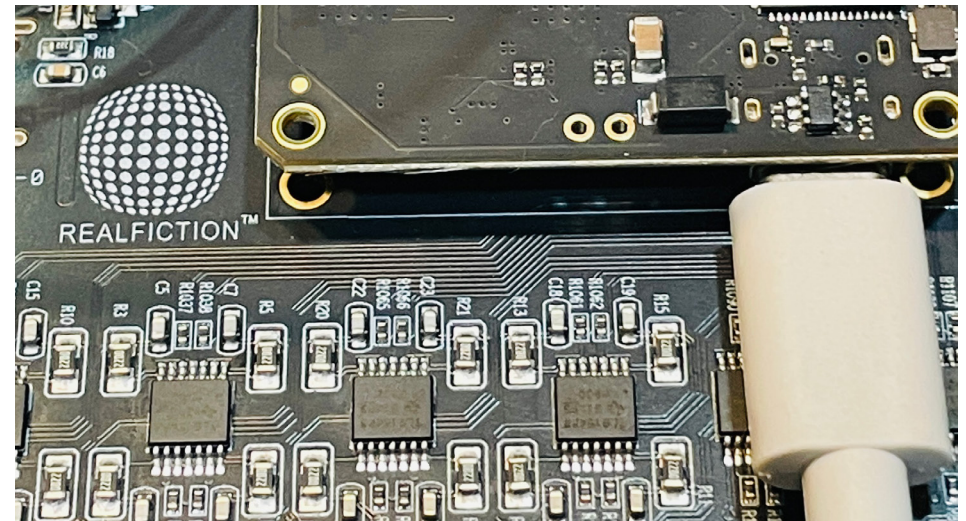
Despite the progress achieved in our DPT commercialization, DPT-related revenue has not yet materialized beyond the 7.4 MSEK recorded in Q3-2024. This means that further financing is needed. With clear momentum building, we believe a rights issue is the best path to creating shareholder value — enabling immediate execution of commercial initiatives while allowing current shareholders to participate at attractive terms.

As a result, we recently announced that we are carrying out a rights issue of shares and warrants which, together with a SEK 15 million refinancing of the Fenja Capital loan, is expected to provide the funding needed to commercialize DPT and position the company to reach operational cash-flow positivity from its licensing-based DPT business model, based on our underlying forecast assumptions. The rights issue may raise up to SEK 50 million in gross proceeds and is guaranteed by underwriters up to SEK 30 million.

Full steam ahead towards breakeven, with major profit potential

Based on commercial progress achieved, and major commercial traction in our focus segments, we believe that we are close to a commercial tipping point for DPT. While we wish the process to advance faster, we are confident that we will be able to generate NRE and up-front payments from multiple customer projects in 2025 and 2026, followed by per-unit license fees from commercial products beginning in late 2026 or early 2027.

Due to our highly scalable IP-driven business model, we see excellent potential to scale up the DPT market uptake considerably when the first commercial products show everyone what our technology platform is capable of in real-world use. This is something that has been demonstrated times before by other companies in the display industry, such as



Picture above: Driver electronics incorporating Realfiction DPT algorithms.

Universal Display Company (UDC). They started out with modest NRE and royalty revenue streams before becoming a large and very profitable company in the following years, and this is exactly what we aim to do.

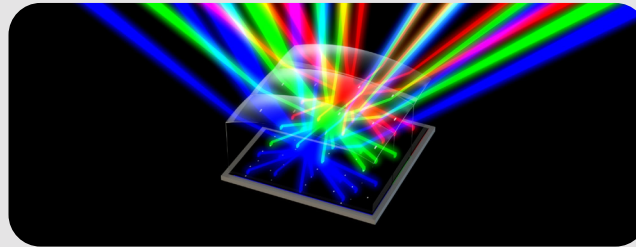
With major recent commercial progress, and a solid financing plan, we are moving full steam ahead towards establishing DPT as a new standard in 2D Multiview and 3D displays. As our commercial journey for DPT has just started, we are certain that the best is yet to come.

Clas Dyrholm
CEO, Realfiction Holding AB

SELECTED EVENTS IN 2024

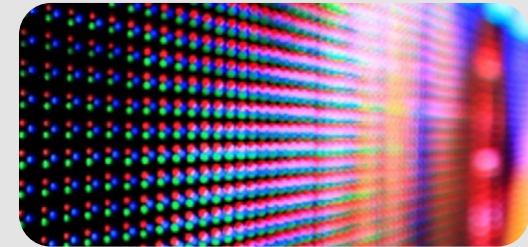
January 2024

Realfiction presents LCD, OLED and microLED demonstrators for its DPT platform during the Consumer Electronics Show (CES) in Las Vegas. Due to great interest, no less than 38 meetings are conducted during the CES week.



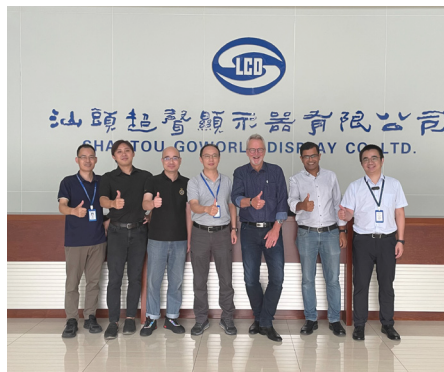
September 2024

The first commercial DPT agreement is signed for a custom proof of concept to an undisclosed customer, with payment of 7.4 MSEK received in December.



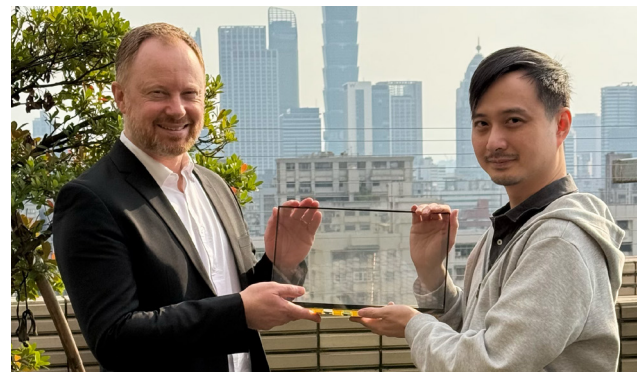
January 2025

Realfiction signs a significant license and collaboration agreement with Goworld, paving the way for mass manufacturing of 2D multi-view and 3D DPT display products.



February 2025

The first version of a key DPT component – a specialized 15.5-inch spatial light modulator compatible with LCD, LED/ MicroLED, and OLED displays – is presented.



April 2025

Realfiction and PlayNitride unveil the world's first MicroLED-based 3D display, powered by Realfiction's Directional Pixel Technology. It is presented for the first time at Touch Taiwan 2025 in April.



DIRECTIONAL PIXEL TECHNOLOGY™ (DPT)

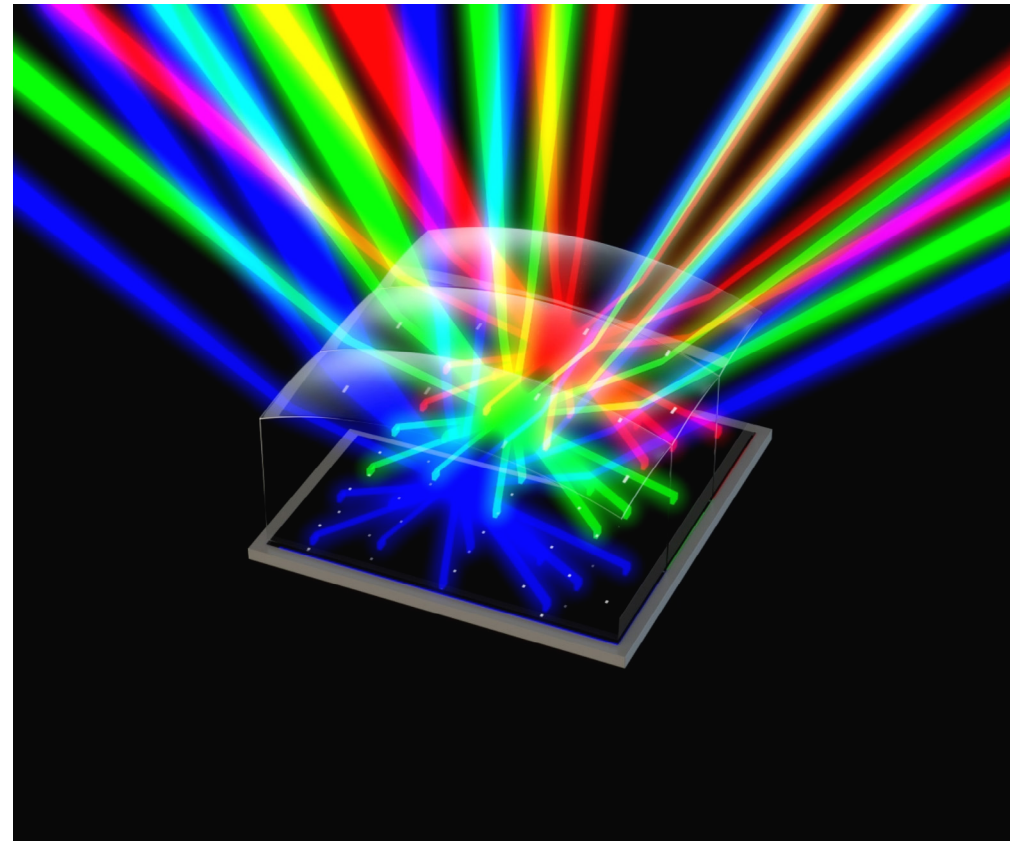
Since the beginning of our journey more than a decade ago, our vision has always been about creating experiences that bring people together. At the heart of this vision sits our innovation team, a group of dedicated, like-minded individuals all sharing the belief that our technology should be about enabling magical moments that can be collectively experienced and shared with others. Realfiction has developed its Directional Pixel Technology™, a next-generation approach beyond head-mounted wearables, that we believe is just the first, primitive stage.

DPT – A TRUE NEXT-GENERATION 2D AND 3D DISPLAY TECHNOLOGY

After many years of innovation and development, the Company has created an IP platform and licensing package for integrating DPT—a technology that enables 3D experiences with holograms formed in mid-air, requiring no glasses, devices, or other lenses between the human eye and the effect, while allowing the 3D objects to be viewed and interacted with from multiple angles. With DPT, Realfiction has not only developed a solution for building this type of display, but one that is also compatible with all three leading display formats: LCD, OLED, and MicroLED. Realfiction's IP portfolio in DPT continues to grow as both the hardware and software aspects of the technology are refined.

DPT was fundamentally developed for 3D experiences, but the technology platform can be applied to many more use cases. For example, it can be used to display multiple separate 2D or 3D views in full resolution from the same screen, creating attractive opportunities not only in entertainment and gaming but also in safety-related applications.

We are working towards bringing DPT-powered display products to commercialization across multiple segments together with world-class partners. The first commercial customer project was delivered in 2024, and we expect additional commercial customer projects in 2025 and 2026 followed by commercial products beginning in late 2026 or early 2027.



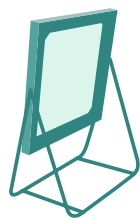
Picture above: Illustration from a video illustrating how the amazing OLED version of DPT works.

COMPANY DEVELOPMENT AND FUTURE



2008-2017 FIRST PHASE

- After being founded by Peter Simonsen and Clas Dyrholm in October 2008, the company developed several commercially successful mixed reality displays for the retail segment within its Dreamoc product family.



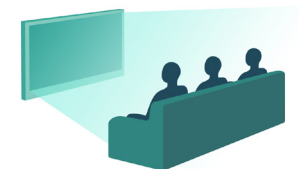
2017-2018 PRE-DPT PHASE

- In 2017, Realfiction was listed on Nasdaq First North Growth Market.
- With increased funding and resources, the company launched DeepFrame One, the world's largest mixed reality display.



2019-2023 DPT DEVELOPMENT PHASE

- In 2019, the company presented DPT (previously named ECHO) and completed a proof of concept for the technology.
- In 2020, a beta version of an LCD DPT display was created. This was followed by an ambitious development program with several international partners, including Fraunhofer FEP and imec, to complete an integration license package for DPT. This crucial milestone was achieved in April 2022.
- To enable licensing of the DPT IP platform to commercial partners, patent applications were filed to protect both hardware and software parts of the technology.
- The company also presented its Holowize 3D film to holographic film conversion technology in 2021, and formed a strategic alliance with the large LCD manufacturer AmTRAN in January 2022 to bring specific LCD versions of DPT to market.



2023- (ONGOING) DPT COMMERCIALIZATION PHASE

- In 2023, the company completed the first DPT LCD display, as well as demonstrators for an OLED version and a microLED version. DPT is thus compatible with all of the three major display technologies.
- The DPT IP portfolio was expanded with an exclusive license for super-fast ferroelectric liquid crystal (FLC) technology from Hong Kong University of Science and Technology. Two DPT patents were issued in 2023 and two more in 2024.
- Demonstrations in Taiwan were held for potential commercial partners, followed by the world premiere of the microLED version at Display Week 2023 in May, and a total of 38 meetings during the CES week in January 2024.
- Marking a key milestone, the first commercial DPT agreement—worth 7.4 MSEK—for a custom-designed proof-of-concept display was finalized in September 2024, with payment received in December 2024 from an undisclosed customer.
- A significant license and collaboration agreement was signed with Shantou Goworld Display Co. Ltd. (Goworld) in January 2025, paving the way for mass manufacturing of DPT display products, initially targeting multi-view applications in 2025 and 3D applications thereafter.

MARKET OVERVIEW AND DPT BUSINESS OPPORTUNITIES

Whether referred to as MR, AR, VR, Metaverse, 3D or holograms, the awareness and demand for related products and services is growing rapidly. Some say that it is the fourth wave of computing following the PC, internet and mobile.

Interest and demand in the 3D market are expected to continue growing in the coming years as more practical solutions are introduced to the market. Today, the market is limited by the need for headsets or due to single-user limitations, which in many cases create a barrier due to ongoing challenges with usability and comfort. DPT offers a much-needed alternative by allowing flat displays, such as TVs and monitors, to seamlessly provide multiple users with smooth access to 3D content like virtual reality, the metaverse, or 3D entertainment. Realfiction expects this to drive additional demand from customers across a wide range of segments, from consumers to B2B areas such as healthcare, automotive, education, architecture, design/engineering, marketing, and retail.

According to Global Market Insights, the global market for 3D displays is expected to grow by over 15% CAGR from 2024 to 2032, reaching a total value of USD 600 billion. This growth is driven by technological advances such as autostereoscopic displays, which do not require glasses, and holographic displays, which enhance the user experience through more realistic and engaging 3D content. The 3D display market is thus expanding rapidly, fueled by technological innovation and increasing demand for immersive experiences across various sectors. Despite challenges such as limited availability of 3D content, Global Market Insights' market analysis points to significant opportunities for growth and innovation in this sector.

Furthermore, Global Market Insights also expects that the growing global popularity of semi-autonomous cars will create an attractive market for displays integrated into the center console. The global market for automotive displays was valued at USD 16 billion in 2024 and is expected to grow at a compound annual growth rate (CAGR) of 12.2%, potentially reaching USD 48.9 billion by 2034. This growth is primarily driven by increasing demand for infotainment systems, ADAS technologies (Advanced Driver

Assistance Systems), and electric vehicles (EVs). Industry players are establishing strategic collaborations with OEM display manufacturers to expand their service offerings.

Market potential for DPT in the large TV segment

As DPT has the potential to be integrated into the production of future flat-screen televisions, Realfiction is also targeting the large TV segment, defined as 48 inches or more. The company focuses on implementing DPT in large TVs because this is a premium segment where the latest features are introduced first, and where consumers are willing to pay a premium. Additionally, the 3D experience becomes more impactful with a larger screen.

According to IMARC Group, the global market for smart TVs was valued at USD 290.7 billion in 2024 and is expected to reach USD 475.0 billion by 2033, with a compound annual growth rate (CAGR) of 5.56% during the period 2025 to 2033.

ADRESSABLE MARKET



Royalty fees will be negotiated with our future customers.

Historically, disruptive technology has earned 1-5 % of product income.

This percentage differs between technologies on the basis of several factors such as, but not limited to the level of inventiveness, IP protection, demand.

Displays produced in 2023

Display types:	# of units:	Source:
TVs	253.800.000	Omdia
TV displays > 65"	33.337.220	Omdia and Applied Materials
Center stack displays > 10"	53.806.000	KDIA.org (Korea Display Industry)
Gaming monitors	20.800.000	Statista



COMPETING TECHNOLOGIES AND COMPANIES

Meta (Quest 3 and Quest Pro) and Apple (Vision Pro) are two significant players in the mixed reality segment. Their solutions are based on headsets with screens positioned in front of the eyes, meaning only the person wearing the device can see the projected 3D objects and effects blended with the physical world. While this segment is expected to grow significantly, Realfiction believes that non-wearable displays will still remain a relevant technology platform for many years to come. Especially in social contexts.

In the segment for glasses-free 3D displays, there are a few companies developing products and licensing lenticular-based technologies for one or multiple simultaneous users. Single-user displays include the Samsung Odyssey, Acer SpatialLabs and Sony Spatial Reality Display, while the current leading licensed technology is offered by Leia Inc. Companies working on 3D displays for multiple simultaneous users include FoVI3D, Lightfield Labs and Looking Glass Factory.

Compared to existing lenticular-based single-user and multi-user 3D displays, Realfiction's DPT offers key advantages such as full resolution for each user, lower manufacturing costs, wider viewing angles, LED/MicroLED compatibility and excellent scalability to large screen sizes. Competing multi-user solutions are further limited by one or more of the following factors: low perceived resolution, high manufacturing costs, and extremely resource-intensive data generation and transmission when used by multiple people simultaneously.



Apple Vision Pro



Acer SpatialLabs-laptop



Looking Glass



LEGACY MIXED REALITY DISPLAY PORTFOLIO

DREAMOC – WORLD CLASS HOLOGRAPHIC EFFECTS

Dreamoc is a series of MR displays with a diamond shaped glass chamber where pictures and 3D animations appear to be floating together with real products. The content can be seen either from the front or from several directions simultaneously. **Dreamoc HD3** is the smallest and most flexible model for single products that can be experienced from several directions simultaneously. **Dreamoc POP3** can only be experienced from the front and is especially well suited for displays on shelves and for displaying several objects together.

Dreamoc XL5 and **Dreamoc XXL3** are, as their names suggest, larger models that make it possible to create attention for really large objects, for instance at airports or in shopping malls. **Dreamoc Diamond** is one of Realfiction's biggest Dreamoc displays, and the most elegant. A **Dreamoc Diamond** creates an extraordinary experience that fits brilliantly into exclusive boutiques.

DEEPFRAME – THE WORLD'S LARGEST MIXED REALITY DISPLAY

DeepFrame is the world's largest MR display and can create unbelievable real time experiences where holographic images and animations are projected over existing surfaces and objects. It was awarded the "CES 2018 Innovation Awards Honoree" title at CES, the world's largest consumer electronics show.

DeepFrame One is a plug and play model in the DeepFrame series that makes it possible to create unforgettable experiences for shopping malls and showrooms, amusement parks, museums, conferences, events and car showrooms. Other possible use cases include visualization in education and research as well as in architecture, manufacturing and construction.

Picture above: Realfiction's legacy display portfolio

FINANCIAL REVIEW

The Board of Directors and the Chief Executive Officer of Realfiction Holding AB hereby publishes the Annual Report and the consolidated accounts for the financial year 2024.

This is an extract from parts of the official Swedish Annual Report. The official report is available at the company's website under "Financial reports" and is called "Annual Report 2024 (PDF) Swedish".

Business operations

Realfiction develops, sells and rents out market leading products and services in holographic displays and Mixed Reality (MR) based on innovative, as well as patent and design protected hardware platforms. All offerings are also packaged in an easy and powerful service concept called "Magic-as-a-Service".

The parent company's registered address is in Helsingborg.

Group structure & Shareholding

Realfiction Holding AB has two fully owned Danish subsidiaries, Realfiction ApS and Realfiction Lab ApS and a branch in Taiwan. All activities are mainly carried out in the subsidiaries. In addition to the above, Realfiction Holding AB does not own any shares in other companies.

Income Statement for the Group

Group net revenue amounted to 18,619 TSEK in 2024 and 9,923 TSEK in 2023. This represents an increase of 88% compared to 2023. The revenue increase was primarily driven by the sale of a custom-made proof of concept for Directional Pixel Technology for 7.4 MSEK to an unnamed customer in the third quarter of 2024, and secondarily by sales and rental of mixed reality displays.

In note 17, the company's gross profit analysis is presented. Cost of goods sold amounted to 4,961 TSEK (3,398 TSEK). The gross profit for 2024 can thus be

established to 13,658 TSEK (6,525 TSEK), resulting in an increased gross profit margin of 73,4% in 2024 compared to 65.8% in 2023. The increase was driven by the sale of a DPT-proof of concept in the third quarter of 2024, which had a high gross profit margin as the main cost was salaries.

In 2024, the Company has conducted further research and development as well as work related to patent protection, but these costs have not been capitalized as the patent portfolio is marketed for licensing as part of the Company's go-to-market strategy. Therefore, the income statement for 2024 does not include income from capitalized own work, unlike in 2023 when income of 9,601 TSEK was recognized from activation of salaries and internal costs related to Directional Pixel Technology.

Other external costs increased to 8,256 TSEK in 2024 from 4,836 TSEK in 2023, mainly as a result of the implementation of DPT's go-to-market strategy, which resulted in higher costs for travel, sales and marketing. In addition, costs for research, development and patent protection also arose in 2024, but these have been expensed in the current period, in contrast to 2023 when corresponding costs were capitalized.

Personnel costs increased to 18,004 TSEK in 2024 compared to 18,908 TSEK in 2023. The decrease is explained by a combination of a reduction by one employee and wage increases as a result of inflation.

The Company has initiated the amortization of its intangible asset linked to Directional Pixel Technology and has established an expected useful life of ten years for accounting purposes. Thus, amortization has increased from 627 TSEK in 2023 to 7,377 TSEK in 2024.

The Group's net financial expenses consist of interest expenses for the loan from the Danish Growth Fund and accrued financial costs for the new loan from Fenja Capital (formerly Formue Nord), while other financial income includes interest income from bank deposits.

The net result for the Group in 2024 amounted to -18,415 TSEK compared to -6,099 TSEK in 2023.

Balance sheet for the Group

Realfiction's total assets at 31 December 2024 amounted to 89,050 TSEK compared to 89,491 TSEK at 31 December 2023. The balance sheet includes a loan of 20 MSEK from Fenja Capital, received in Q1 2024, while equity has decreased by 15,681 TSEK, mainly due to the negative result for the year. The Group's solvency ratio was 58,2% at 31 December 2024 compared to 75,4% at 31 December 2023. Realfiction Holding AB issued a shareholder contribution of 15,366 TSEK to wholly owned subsidiaries. The premium was delivered on 31 December 2024 and will not entitle the shareholder to recover the supplement later. The contribution was made by reducing the company's loan receivable on the subsidiaries with the corresponding amount.

Investments

In 2024, the Company has not capitalized any development costs. However, 18,300 TSEK was capitalized in 2024 in intangible fixed assets related to the Company's Directional Pixel Technology™ and licenses, with the aim to develop a new generation of 3D experiences – free-floating holograms without the need for glasses or other types of lenses between the eye and the effect, and the possibility to see and interact with 3D objects from different angles.

Liquidity and funding

Realfiction's liquidity at 31 December 2024 amounted to 19,695 TSEK compared to 12,523 TSEK at 31 December 2023. Cash Flow from operating activities for 2024 was -9,551 TSEK compared to -2,295 TSEK for 2023. The deterioration was mainly due to increased interest costs and costs for the implementation of the Directional Pixel Technology™ go-to market strategy. In terms of cash flow from operating activities and investment activities, the company's cash flow amounted to -10,826 TSEK, compared to -20,699 TSEK in 2023. The improvement is mainly explained by the company's increased sales in 2024 as a result of an order of 7.4 MSEK for a custom-made proof of concept based on Directional Pixel Technology™, but also by reduced costs for the development of DPT. This improvement reflects the company's strategic shift from having primarily focused on expanding its patent portfolio and developing display prototypes, demonstrators and proof of concept solutions, to now focusing on commercialization of the technology through its go-to-market strategy.

Commercial revenues from the company's go-to-market strategy for Directional Pixel Technology™ ("DPT") have not yet materialized beyond the 7.4 MSEK reported in 2024. Considering the company's loan of 20 MSEK from Fenja Capital (formerly Formue Nord) that matures in August, it is of crucial importance to secure new financing. As clear momentum is now building up, we believe that a rights issue is the most value-creating way forward – making it possible to immediately carry out commercial activities while at the same time giving existing shareholders the opportunity to participate at a discount compared to the share's market price.

As a result, the company at the end of May 2025 announced a rights issue of units consisting of shares and warrants. Together with a refinancing of 15 MSEK of the loan from Fenja Capital, the rights issue is expected to provide the financing required to commercialize DPT and take the company towards a positive operating cash flow based on our license-based business model and our underlying forecasts. The rights issue amount is up to approximately 50 MSEK before issue costs and is covered by guarantee commitments of up to approximately 30 MSEK. The issue is planned to be carried out in August – provided that the Annual General Meeting, as we hope and expect, approves the proposals presented.

The share

Realfiction Holding AB's share was listed on Nasdaq Stockholm First North 14 July 2017. The share is traded with the ticker REALFI and its ISIN-code is SE0009920994. At 31 December 2024, the number of shares in Realfiction Holding AB was 19,951,447 pieces, compared to 19,762,847 pieces (including fully paid but not yet registered share issue) on 31 December 2023. The company has one share class. Each share entails equal rights to recognize the company's assets and results.

Financial risk management

The financial risks can primarily be divided in the following categories:

Currency risk

The Groups sales are made in local currency as well as in foreign currency, primarily USD and DKK. Purchases are primarily made in DKK and USD. When deemed

necessary, future currency flows are hedged through financial instruments. The goal is to try to neutralize the currency effects when transactions are made in different currencies. At the end of the year, the company did not own any currency futures or warrants.

Interest risk

The Group's interest rate risks are mainly connected to interest-bearing liabilities with floating interest rate, totalling 21,212 TSEK at the balance day compared to 2,868 TSEK at 31 December 2023.

Credit risk

The Group tries to find business partners with the highest possible credit rating. The majority of the Group's sales can be made with low credit risk. Historically, the credit losses have been low.

Liquidity risk and financing risk

The Group is constantly working to maintain and improve its liquidity and to plan and ensure access to long-term financing.

Significant events after the end of the year

On January 17, Realfiction announced the signing of a significant license and collaboration agreement with Shantou Goworld Display Co. Ltd. ("Goworld"). This important milestone agreement is set to pave the way for mass manufacturing of innovative display products featuring Realfiction's Directional Pixel Technology™ (DPT), initially targeting multi-view applications in 2025 and 3D applications thereafter.

On February 3, Realfiction presented its first version of its Directional Pixel Technology (DPT) key component – a specialized 15.5-inch spatial light modulator. The spatial light modulator, integral to Realfiction's DPT, is designed using mass-manufacturable components, ensuring versatility across various display sizes. It is compatible with

LCD, LED/MicroLED, and OLED displays, facilitating the creation of multi-view and multi-user glasses-free 3D experiences without the resolution loss associated with previous technologies.

On April 15, Realfiction announced a major milestone achieved in collaboration with PlayNitride: the unveiling of the world's first MicroLED-based 3D display, powered by Realfiction's Directional Pixel Technology. The 9-inch display was then exhibited for the first time at Touch Taiwan 2025, taking place from April 16 to April 18 at the Taipei Nangang Exhibition Center.

Developed through close cooperation with PlayNitride, the display combines their world-class MicroLED expertise with Realfiction's latest-generation Spatial Light Modulator (SLM) – a key enabler of immersive multi-view, glasses-free 3D experiences, compatible with LCD, LED/MicroLED, and OLED displays.

On May 28, Realfiction announced that the board of directors resolved to carry out a rights issue of shares and warrants ("units") with preferential rights for the Company's existing shareholders of approximately SEK 50 million before issue costs (the "Rights Issue"). The Rights Issue is subject to approval by the annual general meeting, which the board of directors has decided to postpone to 30 June 2025. Realfiction intends to use the net proceeds from the Rights Issue, after repayment of part of the loan that the Company raised from Fenja Capital II A/S ("Fenja Capital", formerly Formue Nord Fokus A/S) in February 2024, to finance its commercial activities related to its Directional Pixel Technology™ ("DPT"). The subscription price is SEK 15.00 per unit, consisting of 2 shares and 1 warrant. The Rights Issue is covered by guarantee commitments up to approximately 60 per cent of the Rights Issue. Notice to the annual general meeting will be published through a separate press release. In connection with the Rights Issue, the Company has also renegotiated the outstanding loan from Fenja Capital. As part of the renegotiation, Realfiction has undertaken to issue warrants to Fenja Capital, free of charge. Due to the Rights Issue, the Company has decided to postpone the publication of the annual report for 2024. The Annual Report for 2024 will be published on 9 June 2025, instead of 2 June 2025 as previously communicated.

MULTIPLE YEAR OVERVIEW (TSEK)

Group	2024	2023	2022	2021	2020
Net revenue	18,619	9,923	14,209	12,575	9,501
Result after financial items	-22,798	-8,120	-2,066	-4,554	-9,749
Total Balance Sheet	89,050	89,491	92,328	81,966	65,348
Solvency ratio (%)*	58.2	75.4	79.9	87.2	84.0
Average number of employees	13	14	11	9	13
Gross profit 1)**	13,658	6,525	9,180	6,848	4,985
Gross profit margin (%)***	73.4	65.8	64.6	54.5	52.5
Earnings per share (SEK)****	-0.93	-0.31	-0.07	-0.05	-0.52
Average number of shares	19,795,338	19,762,847	19,740,483	18,362,982	15,761,189
Average number of shares outstanding, including dilutive effect of outstanding warrants	20,584,378	20,558,460	20,480,611	20,392,753	17,066,722
Number of shares at the end of the period	19,951,447	19,762,847	19,762,847	19,711,847	18,241,442

*Solvency ratio: Equity as a percentage of the balance sheet total

**Gross profit Net turnover after costs for goods sold (see Note 17)

***Gross profit margin: Gross profit as a percentage of Net revenue

****Earnings per share: The net profit or loss for the period divided by the average number of shares

Parent company	2024	2023	2022	2021	2020
Net revenue	1,000	600	600	600	600
Result after financial costs	-4,379	-888	-1,082	-1,192	-861
Total Balance Sheet	125,373	109,518	109,766	110,588	94,324
Solvency ratio (%)	83.71	99.5	99.5	99.5	99.3
Average number of employees	0	0	0	0	0

Ownership structure

The table below shows shareholders in Realfiction Holding AB as of December 31, 2023. It was used in full paid but not yet registered / issued new share issue.

Name	Number of shares
Tamarind Limited	> 15%
Clape Holding ApS ¹	> 15%
AmTRAN Technology Co. Ltd.	> 5%
Försäkringsaktiebolaget, Avanza Pension	> 5%

1. CLAPE Holding ApS is 50 percent owned by the CEO and board member Clas Dyrholm and 50 percent by board member Peter Simonsen.

Proposed appropriation of retained earnings

(Amount in SEK)

Proposition for the appropriating the company's retained earnings

At the proposal of the general meeting:

Share premium reserve	107,339,072
Loss for the year	-4,378,741
	102,960,331

The board proposes that unrestricted equity be allocated as follows:

Balanced in new account:	102,960,331
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INCOME STATEMENT

TSEK	Note	Group	
		2024	2023
Operating income			
Net revenue		18,619	9,923
Capitalised work for own account		0	9,601
Other income		972	248
Total operating income		19,591	19,772
Operating expenses	17		
Cost of goods sold		-4,961	-3,398
Other external costs		-8,256	-4,836
Personnel costs	4	-18,004	-18,908
Depreciation of tangible and non-tangible assets	8	-7,377	-627
Total operating expenses		-38,598	-27,769
Operating result	17	-19,007	-7,997
Result from financial investments			
Other interest income and similar profit/loss items	5	446	392
Interest costs and similar profit/loss items	6	-4,237	-515
Total financial items		-3,791	-123
Result after financial items		-22,798	-8,120
Tax for result of the year	7	4,383	2,021
Result of the year		-18,415	-6,099

BALANCE SHEET

TSEK	Note	Group	
		31-12-2024	31-12-2023
Assets			
Non-current assets			
Intangible assets			
Development costs	8	60,017	64,481
Licenses		3,235	2,160
Total intangible assets		63,252	66,641
Tangible assets			
Fixtures, tools and installations	8	200	657
Total tangible assets		200	657
Financial assets			
Other long-term receivables	10	393	377
Total financial assets		393	377
Total Non-current assets		63,845	67,675
Current assets			
Inventories etc.			
Finished products and goods for sale		1,687	3,589
Total inventories etc.		1,687	3,589
Short-term receivables			
Trade receivables		103	100
Current tax receivables		2,622	3,229
Other receivables		787	1,887
Prepaid expenses		311	488
Total short-term receivables		3,823	5,704
Cash and bank		19,695	12,523
Total current assets		25,205	21,816
Total assets		89,050	89,491

TSEK	Note	Group	
		31-12-2024	31-12-2023
Equity and liabilities			
Equity			
Share capital		1,995	1,976
Other received capital		111,447	111,104
Other equity incl. the result of the period		-61,652	-45,609
Total equity		51,790	67,471
Provisions	12		
Deferred tax liability		2,487	4,268
Total provisions		2,487	4,268
Long-term liabilities	13		
Liabilities to credit institutions		0	1,291
Other liabilities		931	875
Prepaid income	14	7,681	8,252
Total long-term liabilities		8,612	10,418
Short-term liabilities			
Liabilities to credit institutions		21,212	1,577
Accounts payable		630	997
Other liabilities		2,469	2,944
Accrued costs and prepaid income		1,850	1,816
Total short-term liabilities		26,161	7,334
Total liabilities		34,773	17,752
Total equity and liabilities		89,050	89,491

CHANGES IN EQUITY

Group					
TSEK	Share capital	Share capital under registration	Other contributed capital	Other own capital incl profit for the year	Total amount equity
Amount at the beginning of the year 01-01-2023	1,976	0	111,104	-39,293	73,787
Warrant program	0	0	0	389	389
Exchange rate difference for the year	0	0	0	-606	-606
Result of the year	0	0	0	-6,099	-6,099
Amount at the end of the year 31-12-2023	1,976	0	111,104	-45,609	67,471
Share issues*	19	0	413	0	432
Issue costs	0	0	-70	0	-70
Warrant program	0	0	0	356	356
Exchange rate difference for the year	0	0	0	2,016	2,016
Result of the year	0	0	0	-18,415	-18,415
Amount at the end of the year 31-12-2024	1,995	0	111,447	-61,652	51,790

*) Share issues consist of the following increase in capital that was fully paid in 2024:

- Exercise of warrants of 13,600 shares registered on January 10, 2024
- Exercise of warrants of 25,000 shares registered on 8 October 2024
- Exercise of warrants of 150,000 shares registered on November 28, 2024

The number of shares amounts to 19,951,447 and the quota value is 0.10 SEK per share.

The company has 337,100 warrants from the 2017 warrant program for senior executives outstanding. Each warrant entitles the holder to subscribe for one share in Realfiction Holding AB. The warrants can be exercised until June 22, 2027 at an average subscription price of 1.95 SEK.

The company has 165,831 warrants from the 2021 warrant program for senior executives and external consultants outstanding. Each warrant entitles the holder to subscribe for one share in Realfiction Holding AB. The warrants can be exercised until December 31, 2027. The warrants have an average subscription price of 17.89 SEK.

The company has 75,000 warrants from the 2022 warrant program for early external consultant (current employee) outstanding. Each warrant entitles the holder to subscribe for one share in Realfiction Holding AB. The warrants can be exercised until December 31, 2027 at an average subscription price of 12.00 SEK.

The company has 55,000 warrants from the 2023 warrant program for senior executives outstanding. Each warrant entitles the holder to subscribe for one share in Realfiction Holding AB. The warrants can be exercised until December 31, 2030 at an average subscription price of 13.00 SEK.

CASH FLOW ANALYSIS

TSEK	Note	Group	
		2024	2023
Operating activities			
Operating result		-19,007	-7,997
Depreciation		7,377	627
Received interest		446	392
Warrant program (non-cash)		356	389
Payed interest		-2,276	-515
Received tax		3,223	3,957
Cash flow from operating activities before changes in operating capital		-9,881	-3,147
Cash flow from changes in operating capital			
Decrease(+)/increase(-) in inventory		2,012	1,513
Decrease(+)/increase(-) in current receivables		-570	607
Decrease(+)/increase(-) in current liabilities		-1,112	-1,268
Cash flow from operating activities		-9,551	-2,295
Investment activities			
Purchase of intangible assets		-1,272	-18,300
Purchase of tangible assets		-15	-81
Sales of tangible assets		15	0
Sales and purchase of financial assets		-3	-23
Cash flow from investment activities		-1,275	-18,404
Financing activities			
Loan installment		-1,530	-1,395
Loan		17,849	0
Innobooster grant		1,113	3,277
Share issue		362	0
Cash flow from financing activities		17,794	1,882
Cash flow for the year		6,968	-18,817
Cash and cash equivalents at the beginning of the year		12,523	30,806
Foreign exchange difference in cash and cash equivalents		204	534
Cash and cash equivalents at the end of the year	18	19,695	12,523

Note 17 Gross profit analysis

		Group	
	Not	2024	2023
Net revenue		18,619	9,923
Cost of goods sold		-4,961	-3,398
Gross profit		13,658	6,525
Capitalised work for own account		0	9,601
Other external costs		-8,256	-4,836
Personnel costs	4	-18,004	-18,908
Depreciation of tangible fixed assets	8	-7,377	-627
Other income and expenses		972	248
Net operating cost		-32,665	-14,522
Operating result		-19,007	-7,997

Note 18 Cash on hand

	Group	
	31-12-2024	31-12-2023
The following component is included in cash on hand:		
Bank balance	19,695	12,523
	19,695	12,523

