

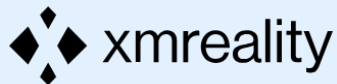
# THE BOARD OF XMREALITY RESOLVES ON A RIGHTS ISSUE OF APPROXIMATELY SEK 36.7 MILLION

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**The Board of Directors of XMReality AB (publ) ("XMReality" or the "Company") has today, subject to subsequent approval by an Extraordinary General Meeting, resolved to carry out a new issue of shares of approximately SEK 36.7 million with preferential rights for the Company's existing shareholders (the "Rights Issue"). Furthermore, it has been resolved to raise a bridge financing of approximately SEK 8 million to finance the short-term liquidity needs before the proceeds from the Rights Issue are received. The proceeds from the Rights Issue are intended to finance the repayment of the Company's bridge loan, marketing and sales efforts as well as product development. The Company has received subscription commitments and guarantee commitments corresponding to approximately 70 percent of the Rights Issue. To further strengthen XMReality's financial position, XMReality also intends to implement cost reductions in addition to the cost reduction programme of approximately SEK 20 million announced in December 2023. A notice for an Extraordinary General Meeting to be held on July 31, 2024, will be announced via a separate press release.**

## Summary

- The Board of XMReality has today resolved, subject to subsequent approval by the Extraordinary General Meeting, on the Rights Issue of approximately SEK 36.7 million. The Board has also proposed to the forthcoming Extraordinary General Meeting to resolve on a reduction of the share capital and necessary amendments to the Articles of Association regarding limits to the number of shares and share capital.
- The proceeds from the Rights Issue are intended to finance the repayment of the Company's bridge loan, marketing and sales efforts as well as product development.
- One (1) existing share in the Company entitles the holder to one (1) subscription right. One (1) subscription right entitles the holder to subscribe for seven (7) new shares.
- The subscription price has been set at SEK 0.05 per share.
- The Company has received subscription commitments of approximately 40 percent (equivalent to approximately SEK 15 million) and guarantee commitments of approximately 30 percent (equivalent to approximately SEK 11 million), in total approximately 70 percent of the Rights Issue. The Company's Board of Directors and parts



of its management have undertaken to subscribe for shares in the Rights Issue for a total amount corresponding to SEK 1.9 million of which approximately SEK 0.7 million in cash and approximately SEK 1.2 million through set off against claims on the Company as a result of existing loans.

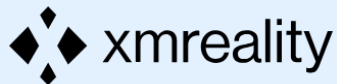
- Subscription commitments of approximately 22 percent (equivalent to approximately SEK 8 million) of the Rights Issue may be set-off of against claims on the Company as a result of existing shareholder loans.
- Guarantee commission is paid with 13 percent of the guaranteed amounts in cash or 16 percent in shares.
- Through the Rights Issue, XMReality will receive up to approximately SEK 36.7 million before deduction of costs related to the Rights Issue, estimated to approximately SEK 3.7 million, of which approximately SEK 1.4 million constitutes guarantee commission provided all guarantors receives cash compensation.
- The subscription period is expected to run from August 6, 2024, to August 20, 2024.
- The Rights Issue entails a maximum dilution of approximately 87.5 percent.
- In connection with the announcement of the Rights Issue, the Company has entered into a bridge loan agreement of approximately SEK 8 million.
- To further strengthen XMReality's financial position, XMReality also intends to implement cost reductions.

### **Background and Motivation**

XMReality develops and sells solutions that revolutionize knowledge transfer through so-called Augmented Reality (AR). The Company is well established in remote guidance where, through AR, they can guide a person on-site to solve problems or prevent them from occurring. The product is used globally in more than 60 countries. Electrolux Professional, Sidel, Heineken, Toshiba America Business Solutions, Coor och Assa Abloy are some of the more than 150 customers that use the Company's product today.

For 2024, the Company sees significant growth potential among the customers recruited during 2023. These customers have a clear strategy for their use of the Company's services and plan from the outset to increase their usage over time, positioning the Company as a strategic partner for them. The Company will continue to work to strengthen and increase the speed of its sales channels and build on the positive trend. The Company notes a continued increased use of XMReality among customers, with an increasing number of calls being made with the solution. Analyses of the drivers behind this show that it has a lot to do with the new customers, as well as the Company in several ways improving the experience of the service and adding features for new users to get more easily started with making calls.

The Company starts 2024 with a good quarter in terms of order intake. The order intake for Q1 2024 is up 54 percent compared to Q1 2023. Despite this, the Company has slightly lower ARR due to lingering covid effects. The Company has also begun to see the result of its savings in the form of significantly lower costs during the first quarter of the year. The operational costs are down more than 50 percent compared to the same quarter in 2023 and the Company has, with the further communicated cost savings, taken further active steps to reach the goal of positive cash flow. With all these activities in full swing, in combination with the Company's new strategy,



the Company sees a strong and increasing value in its product and its offer. With further cost savings and the upcoming Rights Issue, the Company is optimistic about the conditions for the continued journey towards becoming cash flow positive.

Through the Rights Issue, XMReality will receive up to approximately SEK 36.7 million, before deduction of costs related to the Rights Issue, estimated to approximately SEK 3.7 million, of which approximately SEK 1.4 million constitutes guarantee commission, provided all guarantors receive cash compensation.

The net proceeds after deduction of costs related to the Rights Issue and set-off of existing loans, are intended to finance the repayment of bridge loan and working capital to continue the Company's journey toward generating positive cash flow by the end of 2024. The net proceeds from the Rights Issue are intended to be used for the following purposes in order of priority:

- Repayment of bridge loan, approximately SEK 8 million
- Market and sales, approximately SEK 8.8 million
- Product development, approximately SEK 5.3 million
- General working capital, approximately SEK 2.8 million

#### **Terms of the Rights Issue**

The Right to subscribe for new shares shall vest in those who are registered as shareholders in XMReality on the record date in proportion to the number of shares held on the record date. For each share held on the record date, the holder will receive one subscription right. One subscription right entitles the holder to subscribe for seven new shares. In addition, shareholders and other investors are offered the opportunity to subscribe for shares without subscription rights, to the extent the Rights Issue is not subscribed for by exercise of subscription rights.

The subscription price is SEK 0.05 per new share. Upon full subscription, the Company will receive gross proceeds of approximately SEK 36.7 million, before deduction of costs related to the Rights Issue. Payment for subscribed shares shall be made in cash, or by set-off.

Provided that the Rights Issue is fully subscribed, the share capital of the Company will increase by SEK 7,349,155.17 (provided that the proposed reduction of the share capital is implemented so that the quota value of the Company's shares is SEK 0.01), from SEK 1,049,879.31 to SEK 8,399,034.48. The number of shares increases by 734,915,517 shares, from 104,987,931 shares to 839,903,448 shares. For existing shareholders who do not participate in the Rights Issue, this means a dilution effect of approximately 87.5 percent of the shares and votes in the Company upon full subscription. Such shareholders have the opportunity to compensate themselves financially for the dilution effect by selling the subscription rights received.

If the Rights Issue is fully subscribed and all guarantors choose to receive guarantee commission in the form of newly issued shares, the share capital of the Company will increase by an additional SEK 341,517.28 (provided that the proposed reduction of the share capital is implemented so that the quota value of the Company's shares is SEK 0.01), by issuing an additional 34,151,728 shares. The dilution will then amount to approximately 3.9 percent.



### **Preliminary Timetable for the Rights Issue**

July 31, 2024: Extraordinary General Meeting

July 31, 2024: Last day of trading including the right to receive subscription rights

August 1, 2024: First day of trading without the right to receive subscription rights

August 2, 2024: Record date for participation in the Rights Issue

August 2, 2024: Estimated date for publication of the prospectus

August 6 – August 20, 2024: Subscription period

August 6 – August 29, 2024: Trading in BTAs

August 6 – August 15, 2024: Trading in subscription rights

August 21, 2024: Estimated date for announcement of the outcome of the Rights Issue

### **Subscription Commitments and guarantee commitments**

The Rights Issue is covered to approximately 70 percent by subscription commitments and guarantee commitments, of which subscription commitments amount to approximately 40 percent of the Rights Issue (equivalent to approximately SEK 15 million) and guarantee commitments approximately 30 percent (equivalent to approximately SEK 11 million).

Subscription commitments corresponding to approximately SEK 8 million have terms that allow payment for shares subscribed in the Rights Issue through set off against claims on the Company as a result of existing loans. The guarantee commissions in the form of shares is subject to the Extraordinary General Meeting on July 31, 2024, authorizing the Board to decide on the issuance of shares. No compensation is paid for subscription commitments. The subscription commitments and guarantee commitments are not secured by bank guarantee, blocked funds, pledges, or similar arrangements.

### **Extraordinary General Meeting**

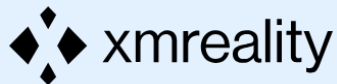
The Extraordinary General Meeting is proposed to approve the Boards' resolution on the Rights Issue as well as the proposal to reduce the share capital and change of limits in the Articles of Association regarding the number of shares and share capital. The reduction of the share capital is carried out, without redemption of shares, in order to reduce the quota value of the Company's share and enable the Company to carry out the Rights Issue. The Extraordinary General Meeting is planned to be held on July 31, 2024. The notice for the Extraordinary General Meeting will be published through a separate press release.

### **Prospectus**

Complete information regarding the Rights Issue and information about the Company will be provided in an EU growth prospectus expected to be published on the Company's website around August 2, 2024.

### **Cost reduction programme**

To further strengthen XMReality's financial position, XMReality also intends to implement cost reductions in addition to the cost reduction program of approximately SEK 20 million announced in December 2023. The cost reductions are implemented to reach the goal that the Company's revenues cover the costs.



### **Bridge financing**

To fulfill existing commitments before the completion of the Rights Issue, the Company has entered into bridge loan agreements of approximately SEK 8 million on market terms from a number of external investors. The loan carries a monthly interest of 1.5 percent and a set-up fee of 5 percent. The bridge loans are intended to be repaid with the proceeds from the Rights Issue.

### **Advisors**

XMReality Group has engaged Penser by Carnegie, Carnegie Investment Bank AB (publ), and Ramberg Advokater KB as financial and legal advisors in connection with the Rights Issue.

XMReality's Certified Adviser is Carnegie Investment Bank AB (publ).

Email: [certifiedadviser@carnegie.se](mailto:certifiedadviser@carnegie.se)

### **For more information, please contact:**

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*This information is information that XMReality is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-06-28 09:15 CEST.*

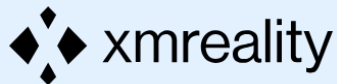
### **About XMReality**

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*This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be published on the Company's website after the approval of the Swedish Financial Supervisory Authority (sw. Finansinspektionen). XMReality has not authorized any offer to the public of shares or rights in any other jurisdiction than in Sweden. An offer to the investors to*



*subscribe for shares in XMReality will only be made through a prospectus, which will be disclosed by the Company before the start of the subscription period (the "Prospectus"). Any investment decision should, in order for an investor to fully understand the potential risks and benefits associated with the decision to participate in the Rights Issue, be made solely based on the information in the Prospectus. An investor is therefore advised to read the entire Prospectus.*

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*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.*

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