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Q2 INTERIM REPORT

1 APRIL – 30 JUNE 2022

Realfiction Holding AB (publ) | 559110-4616

Q2 INTERIM REPORT

Q2, 2022 (01-04-2022 – 30-06-2022)

- Revenue: TSEK 3,691 (Q2, 2021: TSEK 1,701)
- Gross profit: TSEK 2,242 (Q2, 2021: TSEK 832)
- Gross profit margin: 60.7% (Q2, 2021: 48.9%)
- Result after financial items: TSEK -547 (Q2, 2021: TSEK -3,168)
- Earnings per share: SEK 0.01 (Q2, 2021: -0.11)
- Cash flow from operating activities: TSEK -79 (Q2, 2021: TSEK 1,455)
- Equity: TSEK 73,993 (Q2, 2021: TSEK 53,023)

H1, 2022 (01-01-2022 – 30-06-2022)

- Revenue: TSEK 6,929 (H1, 2022: TSEK 3,392)
- Gross profit: TSEK 4,336 (H1, 2022: TSEK 1,708)
- Gross profit margin: 62.6% (H1, 2022: 50.4%)
- Result after financial items: TSEK -667 (H1, 2022: TSEK -4,788)
- Earnings per share: SEK 0.04 (H1, 2022: -0.17)
- Cash flow from operating activities: TSEK -1,010 (H1, 2022: TSEK -1,370)
- Equity: TSEK 73,993 (H1, 2022: TSEK 53,023)



Picture on front page and above: Dreamoc Diamond used by SRK Diamonds at the JCK show in Las Vegas USA, June 2022.

SIGNIFICANT EVENTS DURING Q2, 2022

- On 1 April, Realfiction announced the successful completion of the integration license package for its ECHO holographic display technology. With no red flags or issues detected, Realfiction is now ready to enter into technical due diligence discussions with potential partners for OLED ECHO display products, and to complete its first LCD ECHO display during the first half of 2023.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events have been announced after the end of the period.

CEO COMMENTS

CONTINUED ECHO DEVELOPMENT PROGRESS

After the successful completion of the integration license package for ECHO in the beginning of the second quarter, we are now focusing on the next big hardware goal for ECHO: getting the first ECHO LCD display ready in H1 2023. As previously stated, this is a display that we are developing together with our strategic partner AmTRAN, a major LCD display manufacturer and a large Realfiction shareholder. The ECHO hardware development continued according to plan during the second quarter, and we are now just months away from finally being able to show the world what ECHO can really do. This will surely be an exciting moment for Realfiction and our shareholders as well as for the whole display industry, as we are aiming to present something that was thought to be impossible for decades. Due to the progress in our ECHO hardware development project, we received the first TSEK 676 tranche from the up to MDDK 5 Innobooster grant from Innovation Fund Denmark in June. Further tranches are expected to be received in the coming quarters.

We are also continuing to pursue other potential commercial partnerships related to ECHO in addition to the strategic alliance we have formed with AmTRAN. There is strong interest from relevant companies in different verticals, as the glasses-free 3D holographic experiences in high resolution for multiple users that ECHO can provide has many

exciting use cases.

Furthermore, we are progressing with our software development for ECHO, including our patent pending Holowize 3D film to holographic film conversion solution. When it comes to building an ecosystem of available software for ECHO, I am also glad to see that there is lots of activity and an increasing momentum in the overall holographic display segment. This means that we are not the only technology provider pushing for software and content innovation in this space. As we have

such strong confidence in our ECHO technology, we primarily believe that other technology providers are helping in maturing the marketplace for holographic displays. We therefore welcome that Acer's SpatialLabs technology is becoming available to both the consumer and professional market.

“The ECHO hardware development continued according to plan during the second quarter, and we are now just months away from finally being able to show the world what ECHO can really do.”

MAAS FOR EXHIBITIONS AND EXPERIENCE (HARDWARE): THE POSITIVE TREND CONTINUES

As seen in our financial statements in this interim report, the positive trend for our hardware sales and rentals continued during the second quarter. Both our revenue and gross profit more than doubled compared to Q2 2021, and we also delivered a very strong gross profit margin of 60.7% compared to 48.9% for the same period last year. The higher gross margin was mainly due to higher rental sales and the higher USD forex rate. While we continue to receive a healthy number of rental requests, we do expect the usual seasonal trend with a decline during the

summer followed by a busier fall when the overall event activity tends to pick up again after the summer holidays. Looking at the bigger picture, it is obvious that we are moving into post pandemic territory for these segments. This is great news for Realfiction as a whole, as it strengthens our financial position until we expect to see revenue from ECHO related business activity.

STRONG FINANCIALS, EXCITING OUTLOOK

A major takeaway from our second quarter is our continued ability to combine development of innovative holographic display technology with a healthy

hardware sales and rental business. Hopefully, we will enable many others to share a wide range of meaningful experiences in the future by unlocking a new paradigm of interactive social experiences with our ECHO technology. I think this is more important than ever in a time so consumed by unnecessary conflicts.



Clas Dyrholm
CEO, Realfiction Holding AB



REALFICTION'S BUSINESS AND CONCEPT

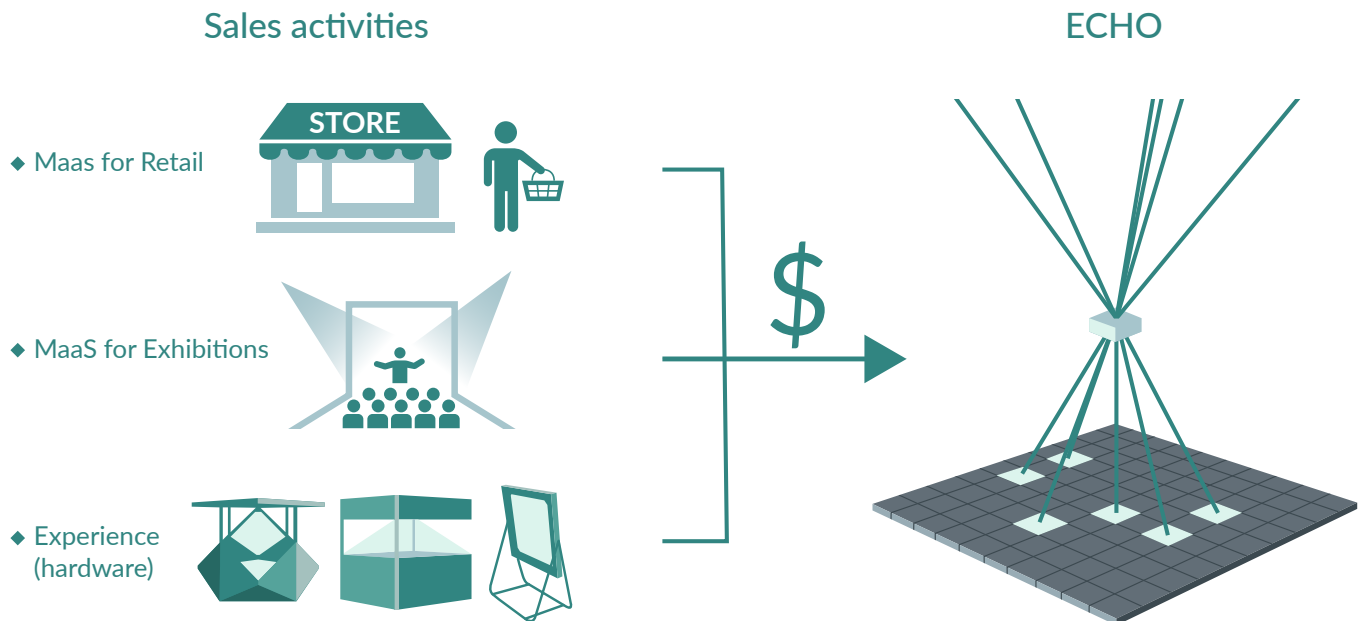
LEADING MIXED REALITY PRODUCTS AND SERVICES

Realfiction develops, sells and rents out market leading Mixed Reality (MR) products and services based on innovative, as well as patent and design protected, hardware platforms that have been developed over more than a decade. The Company's MR displays are especially well-suited for social environments as they do not require special glasses or other accessories.

Realfiction's MR solutions can create interest for a brand or a specific product in a very visual and engaging way. Based on this attention, concrete value can be delivered, for example in the form of increased sales of a product and/or the conversion of visitors into members of bonus or loyalty programs.

ECHO – A GROUNDBREAKING HOLOGRAPHIC 3D TECHNOLOGY

Realfiction is developing ECHO, a groundbreaking patent pending technology that enables a new generation of 3D experiences through free-floating holograms that do not require glasses or any other type of lenses between the eye and the effect.



Revenue from the Magic-as-a-Service (MaaS) activities has been negatively affected by COVID-19. However, there are now signs of a gradual normalization and increased optimism in Realfiction's markets, and the company expects that this will have a positive effect on the demand for MaaS as well as its hardware and other services. As shown in the illustration above, the profit from these activities can contribute positively to a partial financing of Realfiction's exciting ECHO development.

ECHO HOLOGRAPHIC 3D TECHNOLOGY



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. Positioned in the so-called Mixed Reality field, Realfiction is on the verge of taking the next step beyond the current approach of head-mounted wearables, that we believe is just the first, primitive stage.

ECHO – TRANSFORMING SCIENCE FICTION INTO REALITY

We have intensified our investment in innovation – and we now believe that we have found the technology that will allow us to invent the holy grail of 3D experiences; free-floating holograms that require no glasses, devices or other lenses between the human eye and the effect, and where 3D objects can be viewed and interacted with from different angles. This display has for many years existed purely as an item of science fiction, deemed improbable to ever surface in our present lifetime. However, with our patent pending directional pixel technology, referred to as

ECHO, Realfiction is finally on the path to materialize this dream and bring it to market. ECHO is currently the main focus of our development department, with potential to provide significant licensing and joint cooperation opportunities in the future.

Picture above: An artists impression of an ECHO television being used for gaming. Video can be seen [here](#).

COMPANY DEVELOPMENT AND FUTURE

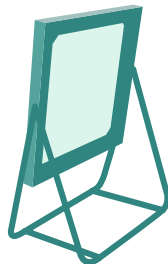
2008-2017 FIRST PHASE

- 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.



2017-2019 PRE-ECHO 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, and in 2019 the company presented ECHO and completed a proof of concept for the technology.



2020-2022 ECHO DEVELOPMENT PHASE

- In 2020, a beta version of an LCD ECHO 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 ECHO. This crucial milestone was achieved in April 2022.
- 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 ECHO to market.

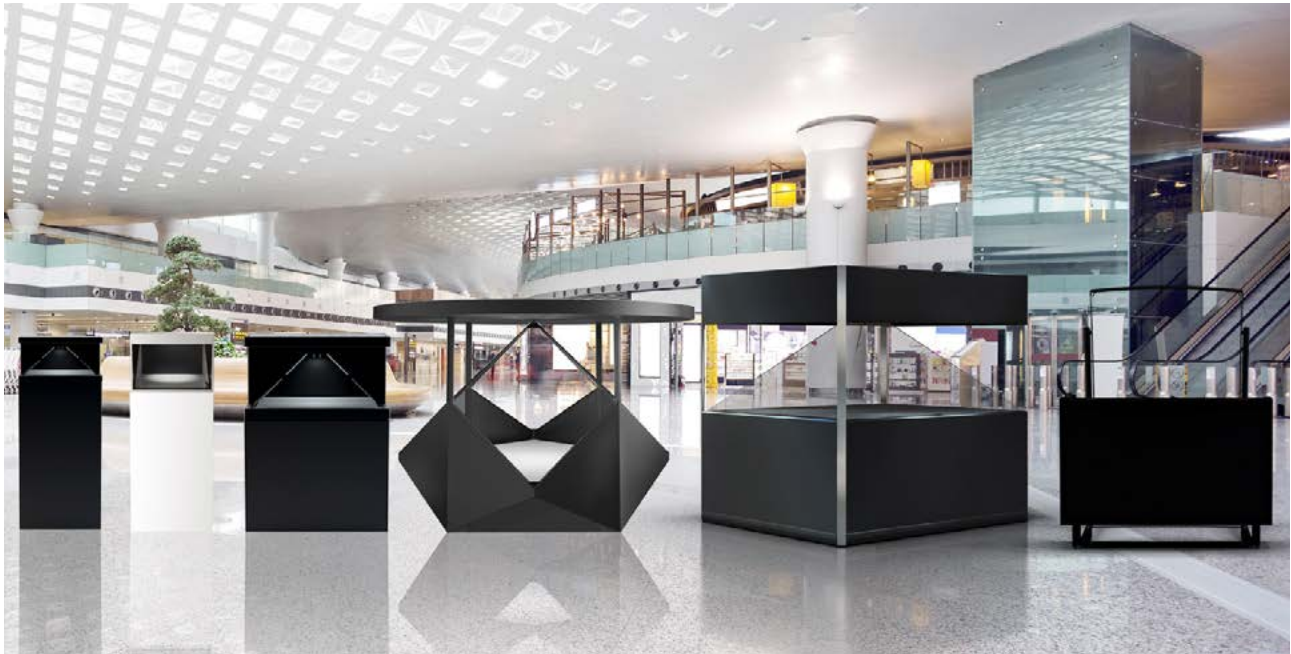


2023- EXPECTED ECHO COMMERCIALIZATION PHASE

- Realfiction aims to bring the first ECHO display product to market in 2023.
- While ECHO displays will be compatible with existing 3D content engines and thereby from start have a wealth of content availability, the company will also strive to make existing as well as new 3D movies available by utilising its Holowize film conversion technology.



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 display portfolio

FINANCIAL REVIEW

DEVELOPMENT IN 2022

In Q2 and H1, 2022 Realfiction continued to see that COVID-19 is easing its grip on the global event and retail market, and Realfiction realized an increase in sales and requests for proposals compared to Q2 and H1, 2021.

Income Statement in Q2, 2022

Group net revenue amounts to TSEK 3,691 for Q2, 2022, representing an increase of 117% from Q2, 2021 of TSEK 1,701. Revenue in Q2, 2022 includes sales from our Magic-as-a-Service concept of TSEK 1,165 compared to TSEK 0 in Q2, 2021. Adjusted for currency conversion effects, the Company's revenue in Q2, 2022 increased by 13.5% to TDKK 2,616 compared to the average quarterly revenue in 2021 of TDKK 2,304.

Cost of goods sold amounts to TSEK 1,449 for Q2, 2022, compared to TSEK 869 for Q2, 2021. Thus, our gross profit in Q2, 2022 increased to TSEK 2,242 from 832 in Q2, 2021. This resulted in a significantly increased gross profit margin in Q2, 2022 of 60.7% compared to 48.9% in Q2, 2021. This increase was achieved due to a different sales mix and higher USD exchange rate compared to SEK (as many sales are invoiced in USD) combined with the increase in revenues.

The drop in other income from TSEK 202 in Q2, 2021 to TSEK 21 in Q2, 2022 is due to the termination of the COVID-19 compensation package from the Danish authorities.

In Q2, 2022 the Company has continued to capitalize development expenditure relating to ECHO that fulfils the requirements of the capitalization accounting principle. As such, the Q2, 2022 Income Statement includes income from the capitalization of own work performed of TSEK 1,952 compared to TSEK 1,523 in Q2, 2021 from the capitalization of salaries and internal expenses relating to ECHO.

Other external costs declined to TSEK 939 in Q2, 2022 from 1,711 in Q2, 2021. The decline was due to the Q2, 2021 figure included a non-cash cost of TSEK 270 related to a warrant program for a consultant and legal fees in connection with the implementation of different incentive

programs and a TSEK 165 saving from a subsidiary's move to a smaller but more central location in Copenhagen.

Cash-based personnel costs increased to TSEK 3,541 in Q2, 2022 (TSEK 32 of the personnel cost is non-cash costs related to a warrant program to the board members) compared to TSEK 2,693 in Q2, 2021 (TSEK 1,062 of the personnel cost was non-cash costs related to a warrant program to the CFO). The increase is due to the addition of 3 new employees and accruals for expected 2022 performance bonuses.

All in all, our cash-based net operating cost increased by TSEK 108 in Q2, 2022 to TSEK 2,712 from TSEK 2,604 in Q2, 2021 (exclusive of non-cash costs of TSEK 32 in Q2, 2022 and TSEK 1,332 in Q2, 2021 relating to warrant programs).

Group net financial costs consist of interest on the loan with Vækstfonden.

Income Statement in H1, 2022

Group net revenue amounts to TSEK 6,929 for H1, 2022, representing an increase of 104% from H1, 2021 of TSEK 3,392. Revenue in H1, 2022 includes sales from our Magic-as-a-Service concept of TSEK 1,237 compared to TSEK 0 in H1, 2021.

Cost of goods sold amounts to TSEK 2,593 for H1, 2022, compared to TSEK 1,684 for H1, 2021. Thus, our gross profit in H1, 2022 increased to TSEK 4,336 from 1,708 in H1, 2021. This resulted in a significantly increased gross profit margin in H1, 2022 of 62.6% compared to 50.4% in H1, 2021. This increase was achieved due to a different sales mix and higher USD exchange rate compared to SEK (as many sales are invoiced in USD) combined with the increase in revenues.

The increase in other income from TSEK 202 in H1, 2021 to TSEK 687 in H1, 2022 is due to the receipt of a final COVID-19 compensation from the Danish authorities in Q1, 2022.

In H1, 2022 the Company has continued to capitalize development expenditure relating to ECHO that fulfils

the requirements of the capitalization accounting principle. As such, the H1, 2022 Income Statement includes income from the capitalization of own work performed of TSEK 3,510 compared to TSEK 2,936 in H1, 2021 from the capitalization of salaries and internal expenses relating to ECHO.

Other external costs declined to TSEK 1,956 in H1, 2022 from 2,675 in H1, 2021. The decline was due to the H1, 2021 figure included a non-cash cost of TSEK 270 related to a warrant program for a consultant and legal fees in connection with the implementation of different incentive programs and a TSEK 300 saving from a subsidiary's move to a smaller but more central location in Copenhagen.

Cash-based personnel costs increased to TSEK 6,665 in H1, 2022 (TSEK 65 of the personnel cost is non-cash costs related to a warrant program to the board members) compared to TSEK 5,347 in H1, 2021 (TSEK 1,062 of the personnel cost was non-cash costs related to a warrant program to the CFO). The increase is due to the addition of 2 new employees and accruals for expected 2022 performance bonuses.

All in all, our cash-based net operating cost decreased by TSEK 229 in H1, 2022 to TSEK 4,800 from TSEK 5,029 in H1, 2021 (exclusive of non-cash costs of TSEK 65 in H1, 2022 and TSEK 1,332 in H1, 2021 relating to warrant programs).

Group net financial costs consist of interest on the loan with Vækstfonden.

Balance Sheet

Realfiction's total assets at 30 June 2022 amount to TSEK 85,640 compared to TSEK 81,966 at 31 December 2021. The increase is primarily due to the continued investments in the ECHO technology.

Investments

In Q2, 2022, the Company has capitalized additional development expenditure of TSEK 3,763 (TSEK 5,537 in Q2, 2021), relating to the patent-pending ECHO technology. Development projects that fulfil the requirements of the capitalization accounting principle are presented as

intangible assets and are measured at cost (or fair value if lower) until the project has been completed.

Cash Flow and Liquidity

Realfiction's liquidity at 30 June 2022 amounts to TSEK 33,585 compared to TSEK 40,850 at 31 December 2021. Cash flow from operating activities for Q2, 2022 was TSEK -79 compared to TSEK 1,455 for Q2, 2021. The change is primarily caused by a large prepayment from a customer in Q2, 2021. The further development of the ECHO technology is co-financed by an up to 5 MDKK Innobooster grant from Innovation Fund Denmark that was announced in a press release on 14 October, 2021. Realfiction received the first TSEK 676 tranche of the grant in June 2022, and the Company expects to receive more tranches in the coming quarters. Cash Flow from operating activities for H1, 2022 was TSEK -1,010 compared to TSEK -1,370 for H1, 2021.

Realfiction has a strong financial position and expects to have the liquidity necessary to sustain all its business operations, including the development of ECHO, well into 2023.

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. On 30 June 2022, the number of shares in Realfiction Holding AB amounts to 19,737,847. The Company has one share class. All shares have equal dividend rights.

Share price development in Q1, 2021 - Q2, 2022 (SEK)



Group structure

Realfiction Holding AB has two fully owned subsidiaries, Realfiction ApS and Realfiction Lab ApS. All business activities are carried out in the subsidiaries. Realfiction Holding AB does not own shares in other companies.

Operational risks & uncertainties

The risks and uncertainties that Realfiction's operations are exposed to are concentrated in the categories of competition, technology development, patents, government requirements, capital requirements, currencies and interest rates. During the current period, no significant changes regarding risk or uncertainty factors have occurred. For more detailed reporting of risks and uncertainties, refer to the previously published Company description, published in the 2021 Annual Report.

OWNERSHIP STRUCTURE

The table below shows key shareholders in Realfiction Holding AB at 30 June 2022 inclusive of fully paid but not yet registered/issued share issues.

Name	Number of shares	Ownership (in %)
Ceranco Equity S.C.S	3,194,447	16.18
CLAPE HOLDING ApS	3,005,000	15.22
AmTRAN Technology Co. LTD	2,065,123	10.46
Tamarind Limited	1,599,461	8.10
Försäkringsaktiebolaget, Avanza Pension	981,450	4.97
Other shareholders (more than 3,200)	8,892,366	45.07
Total	19,737,847	100.00

1. Ceranco Equity S.C.S, Formue Nord Markedsneutral A/S and Tamarind Limited are investment companies with private investors.
2. CLAPE HOLDING ApS is owned 50 percent by CEO and board member Clas Dyrholm and 50 percent by board member Peter Simonsen.
3. AmTRAN Technology Co. Ltd. is a large OEM producer of LCD TV's and other consumer electronics.

Audit/review

The Q2 Interim Report 2022 has not been audited or reviewed by the Company's independent auditors. The Annual Report 2021 for Realfiction ApS has been audited.

Accounting policies

Realfiction Holding AB applies the Annual Accounts Act and The Swedish Accounting Standards Board's General Advice BFNAR 2012.1 (K3) in the preparation of its Swedish financial reports.

Financial Calendar:

Q3 Interim Report 2022:	24 November 2022
Year-end Report 2022:	23 March 2023
Annual Report 2022:	17 May 2023
Annual General Meeting 2023:	27 June 2023

The above reports will be available for download from the Company's website (www.realfiction.com). A printed copy can be ordered via investor@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.

For further information, please contact:

Clas Dyrholm, CEO
Telephone: +45 70 20 64 90
E-mail: investor@realfiction.com

The Board of Directors and the CEO declare that to the best of their knowledge, the Q2 Interim Report 2022 presents a fair view of the financial position of the Company at 30 June 2022 as well as of the results of the Group operations and cash flows for the periods 1 April – 30 June 2022 and 1 January – 30 June 2022.

Helsingborg, 25 August 2022
Realfiction Holding AB
Board of Directors and CEO

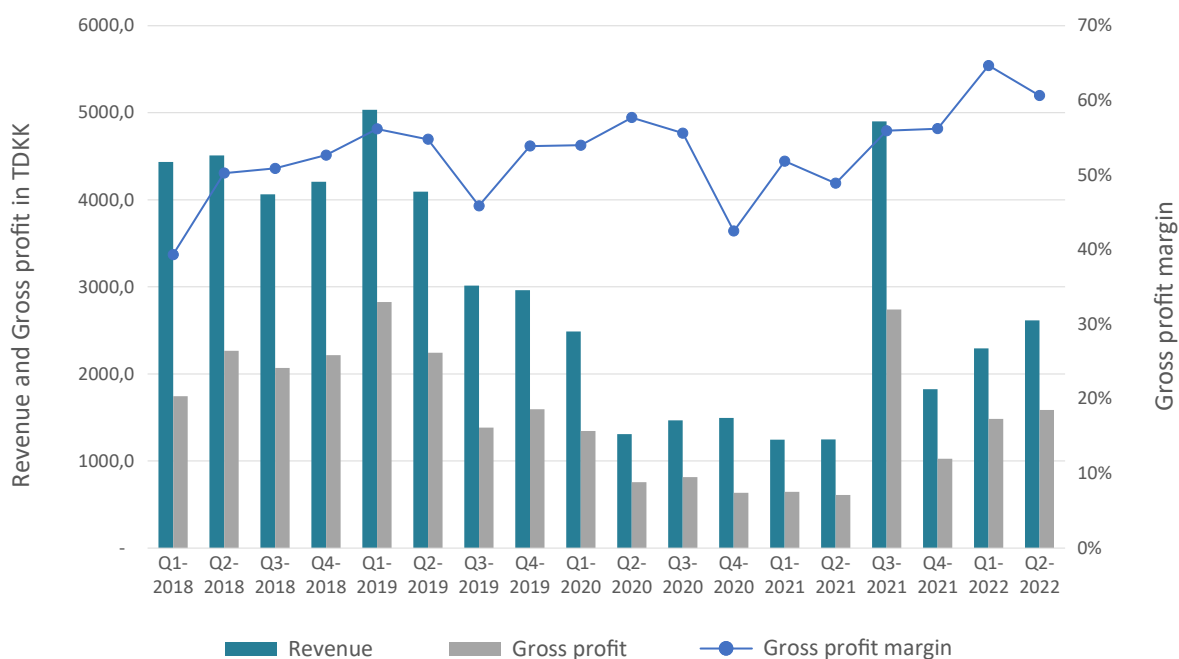
This information is information that Realfiction Holding AB is obliged to make public pursuant to the Swedish Securities Market Act (Lagen (2007:528) om värdepappersmarknaden). The information was submitted for publication, through the agency of the contact person set out above, on 25 August 2022.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

Selected Financial Highlights and Key Ratios – Group

SEK '000	Q2-2022 01-04-2022 -30-06-2022 3 months	Q2-2021 01-04-2021 -30-06-2021 3 months	H1-2022 01-01-2022 -30-06-2022 6 months	H1-2021 01-01-2021 -30-06-2021 6 months	2021 01-01-2021 -31-12-2021 12 months
Net revenue	3,691	1,701	6,929	3,392	12,575
Gross profit	2,242	832	4,336	1,708	6,848
Result after financial items	-547	-3,168	-667	-4,788	-4,554
Total Assets	85,640	64,584	85,640	64,584	81,966
Cash flow from operating activities	-79	1,455	-1,010	-1,370	-1
Cash and bank	33,585	32,720	33,585	32,720	40,850
Equity	73,993	53,023	73,993	53,023	71,486
Solvency ratio (%)	86.4	82.1	86.4	82.1	87.2
Average number of employees	12	9	11	9	9
Gross profit margin (%)	60.7	48.9	62.6	50.4	54.5
Earnings per share (SEK)	0.01	-0.11	0.04	-0.17	-0.05
Average number of shares	19,737,847	18,241,442	19,735,980	18,226,574	18,362,982
Number of shares at the end of the period	19,737,847	18,241,442	19,737,847	18,241,442	19,711,847

The development in the Company's quarterly revenue, gross profit and gross profit margin is illustrated below:



The Group's revenue and gross profit is fully earned in the Danish subsidiary Realfiction ApS. As such, and to avoid that currency fluctuations between DKK and SEK distort the presentation of revenue and gross profit, the above illustration is prepared on the basis of Realfiction ApS' DKK figures.

Income Statement (condensed) – Group

SEK '000	Q2-2022 01-04-2022 -30-06-2022 3 months	Q2-2021 01-04-2021 -30-06-2021 3 months	H1-2022 01-01-2022 -30-06-2022 6 months	H1-2021 01-01-2021 -30-06-2021 6 months	2021 01-01-2021 -31-12-2021 12 months
Net revenue	3,691	1,701	6,929	3,392	12,575
Cost of goods sold	-1,449	-869	-2,593	-1,684	-5,727
Gross profit	2,242	832	4,336	1,708	6,848
Capitalized own work performed	1,952	1,523	3,510	2,936	6,268
Other external costs	-939	-1,711	-1,956	-2,675	-5,356
Personnel costs	-3,573	-3,755	-6,730	-6,409	-12,058
Depreciation of tangible fixed assets	-205	-195	-376	-415	-786
Other income and expenses	21	202	687	202	808
Operating result	-502	-3,104	-529	-4,653	-4,276
Other financial income	82	31	88	44	149
Other financial costs	-127	-95	-226	-179	-427
Result after financial items	-547	-3,168	-667	-4,788	-4,554
Tax on the profit of the period	838	1,201	1,389	1,676	3,584
Net result for the period	291	-1,967	722	-3,112	-970

Balance Sheet (condensed) - Group

SEK '000	30-06-2022	30-06-2021	31-12-2021
Assets			
Non-current assets			
Development costs	36,988	19,967	29,209
Licenses	368	0	351
Total intangible assets	37,356	19,967	29,560
Fixtures, tools and installations	1,090	582	640
Total tangible assets	1,090	582	640
Other long-term receivables	1,752	2,246	309
Total financial assets	1,752	2,246	309
TOTAL NON-CURRENT ASSETS	40,198	22,795	30,509
Current assets			
Finished products and goods for sale	5,330	5,618	4,829
Total inventories	5,330	5,618	4,829
Trade receivables	984	638	479
Current tax receivables	3,827	1,494	3,654
Other receivables	1,133	687	1,164
Prepaid expenses	583	632	481
Total short-term receivables	6,527	3,451	5,778
Cash and bank	33,585	32,720	40,850
TOTAL CURRENT ASSETS	45,442	41,789	51,457
TOTAL ASSETS	85,640	64,584	81,966
Liabilities and Equity			
Equity			
Share capital	1,974	1,824	1,974
Other reserves incl. retained earnings	72,019	51,199	69,512
TOTAL EQUITY	73,993	53,023	71,486
Liabilities to credit institutions	2,813	2,630	3,926
Other liabilities	799	666	763
Prepaid income	1,553	812	822
Total long-term liabilities	5,165	4,108	5,511
Liabilities to credit institutions	1,298	1,237	0
Accounts payable	1,844	1,646	1,954
Prepaid income	982	2,073	832
Other liabilities	2,358	2,497	2,183
Total short-term liabilities	6,482	7,453	4,969
TOTAL LIABILITIES	11,647	11,561	10,480
TOTAL LIABILITIES AND EQUITY	85,640	64,584	81,966

Cash Flow Statement (condensed) – Group

SEK '000	Q2-2022 01-04-2022 -30-06-2022 3 months	Q2-2021 01-04-2021 -30-06-2021 3 months	H1-2022 01-01-2022 -30-06-2022 6 months	H1-2021 01-01-2021 -30-06-2021 6 months	2021 01-01-2021 -31-12-2021 12 months
Operating result	-502	-3,104	-529	-4,653	-4,276
Depreciation	205	195	376	415	786
Non-cash warrant program	32	1,332	65	1,332	1,394
Paid financial costs	-42	-62	-137	-134	-256
Tax payments	0	0	0	0	1,486
Cash flow from operating activities before changes in operating capital	-307	-1,639	-225	-3,040	-866
Operating activities					
Change in inventories	579	280	-272	860	1,716
Change in short term receivables	79	-77	-476	-272	-328
Change in short term liabilities	-430	2,891	-37	1,082	-523
Cash flow from operating activities	-79	1,455	-1,010	-1,370	-1
Investment activities					
Purchase of tangible assets	-442	0	-788	-43	-484
Sale of tangible assets	0	0	0	0	17
Proceeds from financial assets	-20	-303	-20	-313	-43
Purchase of intangible assets	-3,763	-5,537	-6,269	-7,815	-17,231
Cash flow from investment activities	-4,225	-5,840	-7,077	-8,171	-17,741
Financing activities					
Innobooster grant	676	0	676	0	0
Capital increase, net of costs	-6	-81	-6	-81	15,893
Cash flow from financing activities	670	-81	670	-81	15,893
Cash flow for the period	-3,634	-4,466	-7,417	-9,622	-1,849
Cash and cash equivalents at period start	37,115	37,271	40,850	42,372	42,372
Exchange rate recalculation difference – cash and cash equivalents	104	-85	152	-30	327
Cash and cash equivalents at period end	33,585	32,720	33,585	32,720	40,850

Statement of Changes in Equity (condensed) - Group

SEK '000	Q2-2022	Q2-2021	H1-2022	H1-2021	2021
	01-04-2022 -30-06-2022 3 months	01-04-2021 -30-06-2021 3 months	01-01-2022 -30-06-2022 6 months	01-01-2021 -30-06-2021 6 months	01-01-2021 -31-12-2021 12 months
Equity at period start	72,154	54,030	71,486	54,885	54,885
Exchange adjustments	1,522	-291	1,726	-1	284
Capital increase, net of costs	-6	-81	-6	-81	15,893
Warrant program	32	1,332	65	1,332	1,394
Net result for the period	291	-1,967	722	-3,112	-970
Equity at period end	73,993	53,023	73,993	53,023	71,486

Income Statement (condensed) - Parent company

SEK '000	Q2-2022	Q2-2021	H1-2022	H1-2021	2021
	01-04-2022 -30-06-2022 3 months	01-04-2021 -30-06-2021 3 months	01-01-2022 -30-06-2022 6 months	01-01-2021 -30-06-2021 6 months	01-01-2021 -31-12-2021 12 months
Operating income					
Net revenue (group internal)	150	150	300	300	600
Operating costs					
External costs	-381	-452	-600	-661	-1,213
Personnel costs	-180	-96	-339	-257	-579
Operating result	-411	-398	-639	-618	-1,192
Net result for the period	-411	-398	-639	-618	-1,192

Balance Sheet (condensed) – Parent company

SEK '000	30-06-2022	30-06-2021	31-12-2021
Non-current assets			
Financial assets			
Shares in subsidiary	74,461	55,916	74,461
Total financial assets	74,461	55,916	74,461
TOTAL NON-CURRENT ASSETS	74,461	55,916	74,461
Current assets			
Intercompany receivables	4,595	9,918	0
Other receivables	69	130	65
Prepaid expenses	179	193	80
Total short-term receivables	4,843	10,241	145
Cash and bank	31,115	27,848	35,982
TOTAL CURRENT ASSETS	35,958	38,089	36,127
TOTAL ASSETS	110,419	94,005	110,588
Liabilities and Equity			
Equity			
Share capital	1,974	1,824	1,971
Other reserves	108,103	91,770	109,304
Net result of the period	-639	-618	-1,192
TOTAL EQUITY	109,438	92,976	110,083
Trade payables	332	416	195
Other payables	649	613	310
Total short-term liabilities	981	1,029	505
TOTAL LIABILITIES	981	1,029	505
TOTAL EQUITY AND LIABILITIES	110,419	94,005	110,588

DEFINITIONS

Solvency ratio: Equity as a percentage of the balance sheet total. Key ratios of equity are presented to provide a better understanding of Realfiction's long-term ability to pay its debt.

Earnings per share: Net result of the period divided with average number of shares for the period. Earnings per share for periods are negative, therefore no dilution.

Gross profit: Net turnover after costs for goods sold.

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

Net operating cost: Items between Gross profit and Operating result in the income statement.

"Realfiction" or the "Company" refers to the Group, namely Realfiction Holding AB (registered under company registration number 559110-4616) and its wholly owned subsidiaries Realfiction ApS and Realfiction Lab ApS. Realfiction ApS and Realfiction Lab ApS, the Group's operating subsidiaries, were founded in 2008 and 2019. Realfiction Holding AB was formed in April 2017 by way of a non-cash issue in which the shares in Realfiction ApS were exchanged for shares in Realfiction Holding AB, which resulted in the Group relationship.



Picture above: Visualization of an ECHO television.
Video can be seen [here](#).



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