



# YEAR-END REPORT

**1 JANUARY – 31 DECEMBER 2021**

Realfiction Holding AB (publ) | 559110-4616

# YEAR-END REPORT

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## Q4, 2021 (01-10-2021 – 31-12-2021)

- Revenue: TSEK 2,474 (Q4, 2020: TSEK 2,070)
- Gross profit: TSEK 1,387 (Q4, 2020: TSEK 880)
- Gross profit margin: 56.1% (Q4, 2020: 42.5%)
- Result after financial items: TSEK -1,278 (Q4, 2020: TSEK -1,949)
- Earnings per share: SEK 0.00 (Q4, 2020: -0.10)
- Cash flow from operating activities: TSEK 2,465 (Q4, 2020: TSEK -369)

## Q1-Q4, 2021 (01-01-2021 – 31-12-2021)

- Revenue: TSEK 12,575 (Q1-Q4, 2020: TSEK 9,501)
- Gross profit: TSEK 6,848 (Q1-Q4, 2020: TSEK 4,985)
- Gross profit margin: 54.5% (Q1-Q4, 2020: 52.5%)
- Result after financial items: TSEK -4,554 (Q1-Q4, 2020: TSEK -9,749)
- Earnings per share: SEK -0.05 (Q1-Q4, 2020: -0.52)
- Cash flow from operating activities: TSEK -1 (Q1-Q4, 2020: TSEK -3,162)



Picture on front page: "Peace Dove", © Realfiction 2022.

Picture above: Dreamoc HD3 being used in multiple stores in the US in a campaign for Dell Alienware laptops.

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## SIGNIFICANT EVENTS DURING Q4 2021

- On October 14, Realfiction announced that Innovation Fund Denmark has awarded an Innobooster grant of up to 5 MDKK (6.8 MSEK) in future cash payments to its 100% owned subsidiary Realfiction Lab ApS. The grant will co-fund the company's development of an OLED TFT display panel together with its collaboration partners, as well as associated holographic conversion and playback software, all of which are part of Realfiction's patent pending ECHO technology.
- On November 24, Realfiction announced the outcome of the exercise of warrants of series TO1, which were issued in connection with the Company's directed issue during the fourth quarter of 2020. In total, 1,470,405 warrants of series TO1 were exercised, corresponding to approximately 96.24 percent of the total number of outstanding warrants of series TO1, for subscription of 1,470,405 shares at a subscription price of SEK 11.46 per share. Realfiction will receive approximately SEK 16.85 million before issuing costs through the exercise of the warrants of series TO1.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On January 25, Realfiction announced the signing of a Memorandum of Understanding to form a strategic alliance with OEM LCD display manufacturer and large Realfiction shareholder AmTRAN Technology Co. Ltd. ("AmTRAN"). The purpose is to co-operate on the development of holographic LCD displays based on Realfiction's patent pending ECHO technology.

# CEO COMMENTS

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## ECHO INTEGRATION LICENSE PACKAGE NEARING COMPLETION

During the fourth quarter of 2021, we continued to focus heavily on the development of our ECHO 3D holographic display technology together with our various development partners. With the Innobooster grant of up to 5 MDKK (6.8 MSEK) presented in October, we are now able to move full steam ahead with both the hardware and the software side of ECHO. This will be of great assistance when it comes to getting ECHO display products to market, as our patent pending Holowize software under development will enable a wealth of 3D holographic content from day one through the conversion of already existing 3D movies. We know from our long experience in the 3D display industry, as well as from many historic examples including VHS vs Betamax, that even superior consumer technology solutions must have great content to excite the masses and succeed in the market.

On the hardware development side, the next major upcoming milestone will be the completion of an integration license package, and we are still expecting to be there by the end of March. With the license package completed, we will be able to take our commercial dialogues with large display manufacturers, and also producers of consumer electronics products, one step further by offering them all of the IP, specification of components, illustrations and diagrams needed to turn their future TV's and display products into fully fledged ECHO 3D holographic products.

**“We still believe that the first ECHO products could be introduced to the market in 2023, even though a lot of hard work is required to reach this goal.”**

## STRATEGIC ALLIANCE FORMED WITH LARGE LCD DISPLAY MANUFACTURER AMTRAN

In January 2022, and thus ahead of the expected end-of-March milestone, we were able to take the first step in the direction described above by signing a memorandum of understanding to form a strategic alliance with OEM LCD display manufacturer and large Realfiction shareholder AmTRAN Technology. The purpose is to co-operate on the development of specific holographic LCD displays based on our ECHO technology. With AmTRAN being a successful large-scale manufacturer of LCD displays, that we have known and worked with for many years, this strategic alliance significantly lowers the overall risk when it comes to getting ECHO to market. At the same time, it provides a strong validation of ECHO's commercial potential. We could basically not have found a more suitable partner for the commercialization and possible volume production of these LCD versions of ECHO.

## MAAS FOR EXHIBITIONS AND EXPERIENCE (HARDWARE)

In the fourth quarter of 2021, we saw a continuation of the larger trend towards using more in-personal events and exhibitions in Asia, Europe and the US due to the easing of pandemic-related restrictions. This led to higher sales figures for the company in these segments compared to the same period in 2020. The revenue decline in Q4 2021 compared to Q3 2021 was due to the fact that Q3 included revenue from a few major hardware orders from end-customers and partners that did not repeat in Q4.

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## 16.85 MSEK RECEIVED FROM TO1 WARRANT SUBSCRIPTIONS

In November, we announced that our warrants of series TO1 were subscribed to approximately 96.24 percent. Realfiction thus received approximately 16 MSEK after issuing costs. I want to thank all shareholders who participated by exercising warrants held, as this funding provides valuable support to our continued development of ECHO in 2022. Realfiction has a strong financial position, with cost reductions due to a simpler go-to-market model for MaaS fully implemented, and the company is funded well into 2023 with the current level of activities.

## EXCITING TIMES AHEAD FOR REALFICTION AND ECHO

With 2021 behind us, and the ECHO integration license package soon to be completed, I am certain that I speak for the whole Realfiction team when I say that we have a very exciting time ahead of us. The development plan includes two paths: one being the OLED path, and the other being the LCD

path. OLED is expected to be the future standard of consumer television, but in the shorter timeframe, LCD is expected to sell at greater volumes, and combined with ongoing upgrading of the technology, the LCD market is expected to account for the largest portion of the display market for many years to come. Hence, with a first strategic alliance formed with AmTRAN for specific LCD versions of ECHO 3D holographic displays, we are now aiming to form collaborations with more commercial partners in the coming quarters. We still believe that the first ECHO products could be introduced to the market in 2023, even though a lot of hard work is required to reach this goal. Finally, I want to add that even though we have very little exposure to markets affected by the ongoing conflict in Ukraine, we do hope above all else that peace is reinstated as the normal state of affairs in Europe in 2022.



**Clas Dyrholm**  
CEO, Realfiction Holding AB





# REALFICTION'S BUSINESS AND CONCEPT

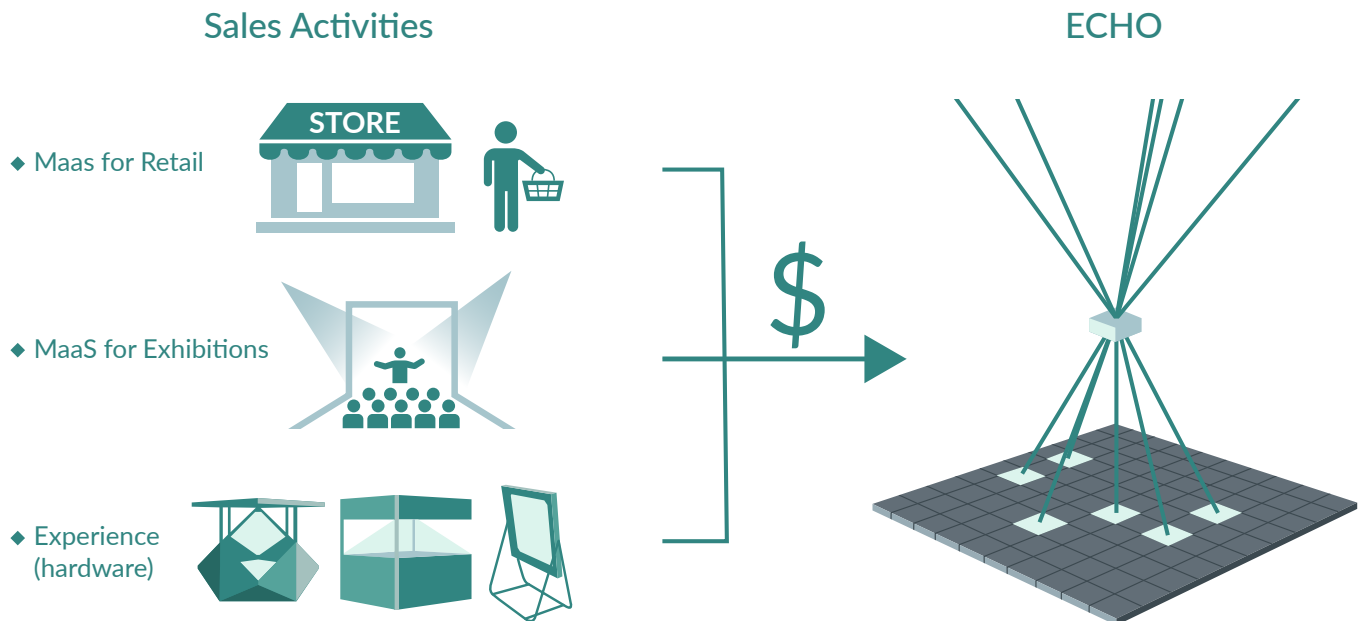
## LEADING MIXED REALITY PRODUCTS AND SERVICES

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.

# REALFICTION'S BUSINESS AND CONCEPT

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## FOCUS AREAS IN 2021

**ECHO:** In January 2021, Realfiction presented positive results from a feasibility study during which a simplified ECHO fabrication approach was pre-validated. The simplified approach aims for easier integration, a slimmer form factor and even lower manufacturing costs for both the LCD and OLED version of the ECHO 3D holographic display. During the rest of 2021, the company will focus on advancing the second step of the completion phase: finalizing the remaining subprojects of the ECHO integration license package no later than the end of Q1, 2022. This will be done in collaboration with leading European research institutes and facilities. The ECHO integration license package is expected to include specification of components, illustrations and diagrams needed for a multi-user ECHO display. Realfiction is seeking a parallel co-development agreement with a commercial display manufacturer for the ECHO backplane. Although the backplane will also be developed with European research institutes, a cooperation with a large manufacturer could speed up the process of bringing ECHO to commercialization. A first ECHO display product could potentially reach the market in 2023. Throughout the entire completion phase, the company will continue to focus on continuously strengthening and safeguarding its ECHO IP portfolio.

**Magic-as-a-Service:** Realfiction will not invest further in expanding the MaaS for Retail market model going forward as our primary focus is on succeeding with ECHO, but we will evaluate MaaS for Retail opportunities when they arise and continue to service existing agreements. Our MaaS for Exhibitions segment is expected to improve from the negative COVID-19 impact, as an increasing number of regions and businesses are preparing to resume their physical event activities.

**Experience (hardware sales):** Realfiction's global partner network continues to deliver in the hardware sales segment. Partner sales remains as a high priority for the Company and an important way to create global visibility.

# INNOVATION

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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.

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



# DISPLAY PORTFOLIO

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## 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 XL4** 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.

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Picture above: Realfiction's display portfolio

# FINANCIAL REVIEW

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## DEVELOPMENT IN Q4 AND Q1-Q4, 2021

### Income Statement

During H1, 2021 revenue was negatively impacted by COVID-19. In H2, 2021, COVID-19 eased its grip on the global event and retail market, and Realfiction saw an increase in sales and requests for proposals. In Q4, 2021 Realfiction realized positive cash flow from its operating activities of TSEK 2,465 (-369), whereas cash flow from operating activities during the year 2021 was TSEK -1 (-3,162). In Q4, 2021 Realfiction's operating result was TSEK -1,228, an improvement from TSEK -1,859 in Q4, 2020 while the year 2021 operating result was TSEK -4,276 (that was negatively impacted by TSEK 1,394 from non-cash costs from its recently issued incentive program), it was a significant improvement from TSEK -9,441 in 2020. The primary reasons for the improved operating result and cash flow are a significant increase in revenue and cost savings from the simplified go-to-market model. Due to tax benefits from its heavy investments in its ECHO technology, Realfiction's net result for Q4 was positive with TSEK 64 (-1,714) while the 2021 net result was TSEK -970 (-8,195).

Group net revenue amounts to TSEK 2,474 for Q4, 2021, representing an increase of 20% from Q4, 2020 TSEK 2,070, while revenue of TSEK 12,575 for Q1-Q4, 2021 represents an increase of 32% compared to Q1-Q4, 2020 TSEK 9,501. Revenue in Q4, 2021 and Q1-Q4, 2021 includes sales from our Magic-as-a-Service concept of TSEK 37 and TSEK 669 compared to TSEK 404 and TSEK 1,857 in Q4 and Q1-Q4, 2020. Adjusted for currency conversion effects, the Company's revenue in Q4, 2021 increased by 8% to TDKK 1,824 compared to the average quarterly revenue in 2020 of TDKK 1,690.

Cost of goods sold amounts to TSEK 1,087 and TSEK 5,727 for Q4 and Q1-Q4, 2021, compared to TSEK 1,190 and TSEK 4,516 for Q4 and Q1-Q4, 2020. Thus, our gross profit in Q4, 2021 increased to TSEK 1,387 from 880 in Q4, 2020 and increased to TSEK 6,848 in Q1-Q4, 2021 from TSEK 4,985 in Q1-Q4, 2020. This resulted in a significantly increased gross profit margin in Q4, 2021 of 56.1% (42.5%) and in Q1-Q4, 2021 of 54.5% (52.5%).

In Q4, 2021 the Company has continued to capitalize development expenditure relating to ECHO that fulfils the requirements of the capitalization accounting principle. As such, the Q4 and Q1-Q4, 2021 Income Statement includes income from the capitalization of own work performed of TSEK 1,717 (TSEK 2,391) and TSEK 6,268 (TSEK 4,970) from the capitalization of salaries and internal expenses relating to ECHO.

Other external costs decreased to TSEK 1,650 in Q4, 2021 from 2,047 in Q4, 2020 and to TSEK 5,356 in Q1-Q4, 2021 from TSEK 6,336 in Q1-Q4, 2020. The decrease is primarily due to the simplified and low cost go-to-market model for our Magic-as-a-Service concept. The Q1-Q4, 2021 figure also includes 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.

The simplified go-to-market model for our Magic-as-a-Service concept entails that we have further reduced the workforce (FTEs) from Q4, 2020 to Q4, 2021 from 10 to 9 and from Q1-Q4, 2020 to Q1-Q4, 2021 from 13 to 9. Cash-based personnel costs decreased to TSEK 2,818 in Q4, 2021 compared to TSEK 2,885 in Q4, 2020, and to TSEK 10,934 in Q1-Q4, 2021 (TSEK 12,364) as the Q1-Q4, 2021 personnel costs include TSEK 1,124 in non-cash costs related to a warrant program to the CFO and board members.

All in all, we reduced our cash-based net operating cost by TSEK 155 in Q4, 2021 to TSEK 2,584 from TSEK 2,739 in Q4, 2020, and by TSEK 4,697 in Q1-Q4, 2021 to TSEK 9,729 from TSEK 14,426 in Q1-Q4, 2020 (exclusive of non-cash costs of TSEK 31 in Q4, 2021 and TSEK 1,394 in Q1-Q4, 2021 relating to warrant programs).

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

## Supplementary Income Statement

On page 18 we present our supplementary income statement with our two main activities; Innovation & Development and Sales.

In Q4 and Q1-Q4, 2021, we continued investing in Innovation & Development Activities, with the primary focus on ECHO. The ECHO technology aims at inventing 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.

Our gross expenditure in Innovation & Development Activities amounted to TSEK 2,469 in Q4, 2021 compared to TSEK 2,874 in Q4, 2020 and TSEK 8,138 in Q1-Q4, 2021 compared to TSEK 6,659 in Q1-Q4, 2020. The Q1-Q4, 2021 expenditure include non-cash costs of TSEK 270 related to a warrant program for a consultant. The Q4, 2021 operating result from our Sales Activities improved to a loss of TSEK 476 compared to a loss of TSEK 1,376 in Q4, 2020, while the Q1-Q4, 2021 operating result from our Sales Activities improved to a loss of TSEK 2,406 compared to a loss of TSEK 7,760 in Q1-Q4, 2020. The Q1-Q4, 2021 loss figures even include non-cash costs of TSEK 1,124 related to a warrant program to the CFO and board members. The improvements in Q4 and Q1-Q4, 2021 were primarily due to cost savings from the simplified go-to-market model and increased focus on the development of the ECHO technology.

## Balance Sheet

Realfiction's total assets at 31 December 2021 amount to TSEK 81,966 compared to TSEK 65,348 at 31 December 2020. The significant increase is primarily due to the continued investments in the ECHO technology and related licenses. In addition, inventory at 31 December 2021 decreased to TSEK 4,829 compared to TSEK 6,438 at 31 December 2020.

## Investments

In Q4, 2021, the Company has capitalized additional development and licensing expenditure of TSEK 6,729

(TSEK 2,369), 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

After completion of the exercise of warrants of series TO1 in November 2021, Realfiction received approximately SEK 16 million. As such, Realfiction's liquidity at 31 December 2021 amounts to TSEK 40,850 compared to TSEK 42,372 at 31 December 2020. Cash flow from operating activities for Q4, 2021 improved to positive TSEK 2,465 compared to TSEK -369 for Q4, 2020. The improvement is caused by receipt of payment from customers and the tax authorities.

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 31 December 2021, the number of shares in Realfiction Holding AB amounts to 19,737,847 inclusive of fully paid but not yet registred/issued share issues. The Company has one share class. All shares have equal dividend rights.

Share price development in Q1-Q4, 2021 (SEK)



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### 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 2020 Annual Report.

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## OWNERSHIP STRUCTURE

The table below shows key shareholders in Realfiction Holding AB at 31 December 2021 inclusive of fully paid but not yet registered/issued share issues.

Name	Number of shares	Ownership (in %)
Ceranco Equity S.C.S <sup>1</sup>	3,194,447	16.18
CLAPE HOLDING ApS <sup>2</sup>	3,005,000	15.22
AmTRAN Technology Co. LTD <sup>3</sup>	2,065,123	10.46
Tamarind Limited <sup>1</sup>	1,599,461	8.10
Försäkringsaktiebolaget, Avanza Pension <sup>1</sup>	963,245	4.88
Formue Nord Markedsneutral A/S	884,366	4.48
Other shareholders (more than 3,400)	8,026,205	40.68
<b>Total</b>	<b>19,737,847</b>	<b>100.00</b>

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.

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### Audit/review

The Year-end Report 2021 has not been audited or reviewed by the Company's independent auditors. The Annual Report 2020 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:

Annual Report 2021:	19 May 2022
Q1 Interim Report 2022:	26 May 2022
Annual General Meeting 2022:	27 June 2022
Q2 Interim Report 2022:	25 August 2022
Q3 Interim Report 2022:	24 November 2022
Year-end Report 2022:	23 March 2023

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

### Certified Adviser

Mangold Fondkommission AB is the Company's Certified Adviser and can be contacted via [ca@mangold.se](mailto: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](mailto:investor@realfiction.com)

*The Board of Directors and the CEO declare that to the best of their knowledge, the Year-end Report 2021 presents a fair view of the financial position of the Company at 31 December 2021 as well as of the results of the Group operations and cash flows for the periods 1 October – 31 December 2021 and 1 January – 31 December 2021.*

**Helsingborg, 24 March 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 24 March 2022.

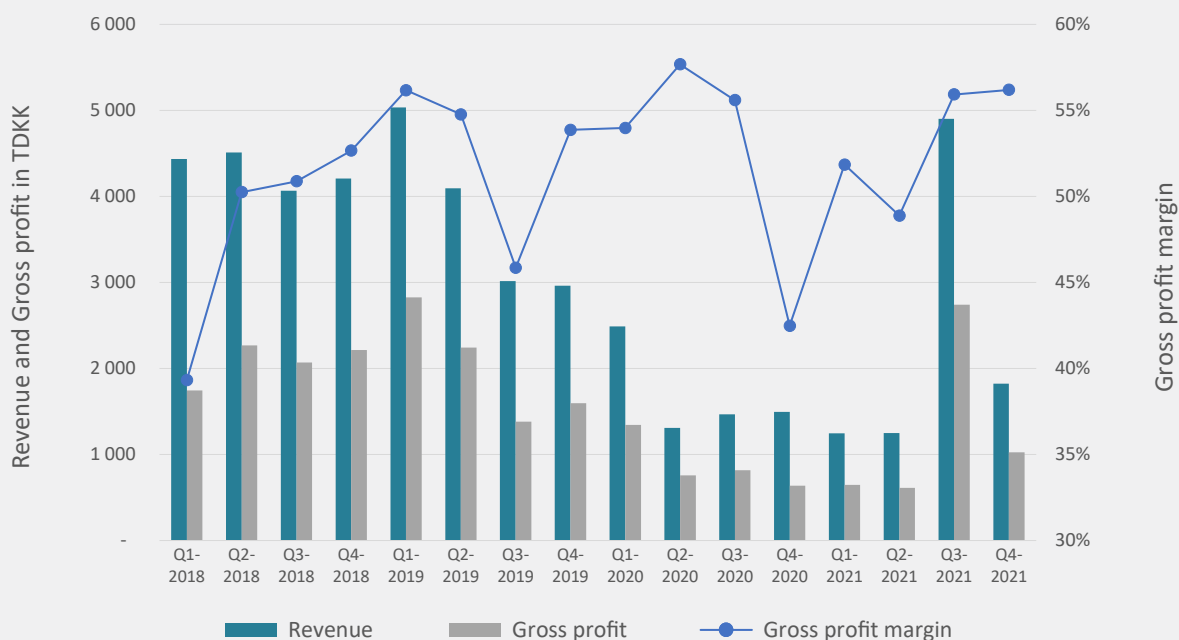


# FINANCIAL HIGHLIGHTS AND KEY RATIOS

## Selected Financial Highlights and Key Ratios – Group

SEK '000	Q4-2021	Q4-2020	Q1-Q4-2021	Q1-Q4-2020
	01-10-2021 -31-12-2021 3 months	01-10-2020 -31-12-2020 3 months	01-01-2021 -31-12-2021 12 months	01-01-2020 -31-12-2020 12 months
Net revenue	2,474	2,070	12,575	9,501
Gross profit	1,387	880	6,848	4,985
Result after financial items	-1,278	-1,949	-4,554	-9,749
Total Assets	81,966	65,348	81,966	65,348
Cash flow from operating activities	2,465	-369	-1	-3,162
Cash and bank	40,850	42,372	40,850	42,372
Solvency ratio (%)	87.2	84.0	87.2	84.0
Average number of employees	9	10	9	13
Gross profit margin (%)	56.1	42.5	54.5	52.5
Earnings per share (SEK)	0.00	-0.10	-0.05	-0.52
Average number of shares	18,752,887	16,376,165	18,362,982	15,761,189
Number of shares at the end of the period	19,711,847	18,011,363	19,711,847	18,011,363

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	Q4-2021	Q4-2020	Q1-Q4 2021	Q1-Q4 2020
	01-10-2021	01-10-2020	01-01-2021	01-01-2020
	-31-12-2021	-31-12-2020	-31-12-2021	-31-12-2020
	3 months	3 months	12 months	12 months
Net revenue	2,474	2,070	12,575	9,501
Cost of goods sold	-1,087	-1,190	-5,727	-4,516
<b>Gross profit</b>	<b>1,387</b>	<b>880</b>	<b>6,848</b>	<b>4,985</b>
Capitalized own work performed	1,717	2,391	6,268	4,970
Other external costs	-1,650	-2,047	-5,356	-6,336
Personnel costs	-2,849	-2,885	-12,058	-12,364
Depreciation of tangible fixed assets	-174	-272	-786	-1,335
Other income and expenses	341	74	808	639
<b>Operating result</b>	<b>-1,228</b>	<b>-1,859</b>	<b>-4,276</b>	<b>-9,441</b>
Other financial income	87	4	149	54
Other financial costs	-137	-94	-427	-362
<b>Result after financial items</b>	<b>-1,278</b>	<b>-1,949</b>	<b>-4,554</b>	<b>-9,749</b>
Tax on the profit of the period	1,342	235	3,584	1,554
<b>Net result for the period</b>	<b>64</b>	<b>-1,714</b>	<b>-970</b>	<b>-8,195</b>

## Balance Sheet (condensed) - Group

SEK '000	31-12-2021	31-12-2020
<b>Assets</b>		
<b>Fixed assets</b>		
Development costs	29,209	12,163
Licenses	351	0
<b>Total intangible fixed assets</b>	<b>29,560</b>	<b>12,163</b>
Fixtures, tools and installations	640	948
<b>Total tangible fixed assets</b>	<b>640</b>	<b>948</b>
Other long-term receivables	309	264
<b>Total financial fixed assets</b>	<b>309</b>	<b>264</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>30,509</b>	<b>13,375</b>
<b>Current assets</b>		
Finished products and goods for sale	4,829	6,438
<b>Total inventories</b>	<b>4,829</b>	<b>6,438</b>
Trade receivables	479	583
Current tax receivables	3,654	1,486
Other receivables	1,164	636
Prepaid expenses	481	458
<b>Total short-term receivables</b>	<b>5,778</b>	<b>3,164</b>
<b>Cash and bank</b>	<b>40,850</b>	<b>42,372</b>
<b>TOTAL CURRENT ASSETS</b>	<b>51,457</b>	<b>51,974</b>
<b>TOTAL ASSETS</b>	<b>81,966</b>	<b>65,348</b>
<b>Liabilities and Equity</b>		
<b>Equity</b>		
Share capital	1,971	1,801
Other reserves incl. retained earnings	69,515	53,084
<b>TOTAL EQUITY</b>	<b>71,486</b>	<b>54,885</b>
Liabilities to credit institutions	3,926	3,845
Other liabilities	763	662
Prepaid income	822	672
<b>Total long-term liabilities</b>	<b>5,511</b>	<b>5,179</b>
Accounts payable	1,954	1,864
Prepaid income	832	487
Other liabilities	2,183	2,933
<b>Total short-term liabilities</b>	<b>4,969</b>	<b>5,284</b>
<b>TOTAL LIABILITIES</b>	<b>10,480</b>	<b>10,463</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>81,966</b>	<b>65,348</b>

## Cash Flow Statement (condensed) – Group

SEK '000	Q4-2021	Q4-2020	Q1-Q4-2021	Q1-Q4-2020
	01-10-2021 -31-12-2021 3 months	01-10-2020 -31-12-2020 3 months	01-01-2021 -31-12-2021 12 months	01-01-2020 -31-12-2020 12 months
<b>Operating result</b>	<b>-1,228</b>	<b>-1,859</b>	<b>-4,276</b>	<b>-9,441</b>
Depreciation	174	272	786	1,335
Non-cash warrant program	31	0	1,394	0
Paid financial costs	-28	-91	-256	-310
Tax payments	1,486	0	1,486	1,819
<b>Cash flow from operating activities before changes in operating capital</b>	<b>435</b>	<b>-1,678</b>	<b>-866</b>	<b>-6,597</b>
<b>Operating activities</b>				
Change in inventories	99	328	1,716	583
Change in short term receivables	2,035	459	-328	1,848
Change in short term liabilities	-104	522	-523	1,004
<b>Cash flow from operating activities</b>	<b>2,465</b>	<b>-369</b>	<b>-1</b>	<b>-3,162</b>
<b>Investing activities</b>				
Purchase of tangible fixed assets	-169	-184	-484	-214
Sale of tangible fixed assets	17	3	17	139
Proceeds from financial fixed assets	-5	0	-43	51
Purchase of intangible fixed assets	-6,729	-2,369	-17,231	-7,177
<b>Cash flow from investing activities</b>	<b>-6,886</b>	<b>-2,550</b>	<b>-17,741</b>	<b>-7,201</b>
<b>Financing activities</b>				
Capital increase, net of costs	16,000	35,438	15,893	35,372
<b>Cash flow from financing activities</b>	<b>16,000</b>	<b>35,438</b>	<b>15,893</b>	<b>35,372</b>
<b>Cash flow for the period</b>	<b>11,579</b>	<b>32,519</b>	<b>-1,849</b>	<b>25,009</b>
Cash and cash equivalents at period start	28,942	9,738	42,372	17,240
Exchange rate recalculation difference – cash and cash equivalents	329	115	327	123
<b>Cash and cash equivalents at period end</b>	<b>40,850</b>	<b>42,372</b>	<b>40,850</b>	<b>42,372</b>

## Statement of Changes in Equity (condensed) - Group

SEK '000	Q4-2021	Q4-2020	Q1-Q4 2021	Q1-Q4 2020
	01-10-2021	01-10-2020	01-01-2021	01-01-2020
	-31-12-2021	-31-12-2020	-31-12-2021	-31-12-2020
	3 months	3 months	12 months	12 months
<b>Equity at period start</b>	<b>55,207</b>	<b>21,860</b>	<b>54,885</b>	<b>28,272</b>
Exchange adjustments	184	-699	284	-564
Capital increase, net of costs	16,000	35,438	15,893	35,372
Warrant program	31	0	1,394	0
Net result for the period	64	-1,714	-970	-8,195
<b>Equity at period end</b>	<b>71,486</b>	<b>54,885</b>	<b>71,486</b>	<b>54,885</b>

## Supplementary Income Statement (condensed) - Group

Key figures from the income statement for the Group are presented below on the basis of the underlying activities. Realfiction has two main activities; 1) Innovation & Development activities, including all directly related expenses incurred in connection with the Innovation & Development activities in the Group and 2) Sales activities, including all other activities in the Group.

SEK '000	Q4-2021	Q4-2020	Q1-Q4 2021	Q1-Q4 2020
	01-10-2021	01-10-2020	01-01-2021	01-01-2020
	-31-12-2021	-31-12-2020	-31-12-2021	-31-12-2020
	3 months	3 months	12 months	12 months
<b>Innovation &amp; Development Activities</b>				
Capitalized own work performed	1,717	2,391	6,268	4,970
Other external costs	-922	-1,480	-2,333	-2,148
Personnel costs	-1,545	-1,388	-5,785	-4,487
Depreciation of tangible fixed assets	-2	-6	-20	-24
Other income and expenses	0	0	0	8
<b>Operating result</b>	<b>-752</b>	<b>-483</b>	<b>-1,870</b>	<b>-1,681</b>

SEK '000	Q4-2021	Q4-2020	Q1-Q4 2021	Q1-Q4 2020
	01-10-2021	01-10-2020	01-01-2021	01-01-2020
	-31-12-2021	-31-12-2020	-31-12-2021	-31-12-2020
	3 months	3 months	12 months	12 months
<b>Sales Activities</b>				
<b>Gross profit</b>	<b>1,387</b>	<b>880</b>	<b>6,848</b>	<b>4,985</b>
Other external costs	-728	-567	-3,023	-4,188
Personnel costs	-1,304	-1,497	-6,273	-7,877
Depreciation of tangible fixed assets	-172	-266	-766	-1,311
Other income and expenses	341	74	808	631
<b>Operating result</b>	<b>-476</b>	<b>-1,376</b>	<b>-2,406</b>	<b>-7,760</b>



## Income Statement (condensed) – Parent company

SEK '000	Q4-2021	Q4-2020	Q1-Q4-2021	Q1-Q4-2020
	01-10-2021 -31-12-2021 3 months	01-10-2020 -31-12-2020 3 months	01-01-2021 -31-12-2021 12 months	01-01-2020 -31-12-2020 12 months
<b>Operating income</b>				
Net revenue (group internal)	150	150	600	600
<b>Operating costs</b>				
External costs	-311	-240	-1,213	-1,105
Personnel costs	-156	-142	-579	-356
<b>Operating result</b>	<b>-317</b>	<b>-232</b>	<b>-1,192</b>	<b>-861</b>
<b>Net result for the period</b>	<b>-317</b>	<b>-232</b>	<b>-1,192</b>	<b>-861</b>

## Balance Sheet (condensed) – Parent company

SEK '000	31-12-2021	31-12-2020
<b>Non-current assets</b>		
<b>Financial assets</b>		
Shares in subsidiary	74,461	55,916
<b>Total financial assets</b>	<b>74,461</b>	<b>55,916</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>74,461</b>	<b>55,916</b>
<b>Current assets</b>		
Other receivables	65	80
Prepaid expenses	80	89
<b>Total short-term receivables</b>	<b>145</b>	<b>169</b>
<b>Cash and bank</b>	<b>35,982</b>	<b>38,239</b>
<b>TOTAL CURRENT ASSETS</b>	<b>36,127</b>	<b>38,408</b>
<b>TOTAL ASSETS</b>	<b>110,588</b>	<b>94,324</b>
<b>Liabilities and Equity</b>		
<b>Equity</b>		
Share capital	1,971	1,801
Other reserves	109,304	92,736
Net result of the period	-1,192	-861
<b>TOTAL EQUITY</b>	<b>110,083</b>	<b>93,676</b>
Trade payables	195	293
Other payables	310	355
<b>Total short-term liabilities</b>	<b>505</b>	<b>648</b>
<b>TOTAL LIABILITIES</b>	<b>505</b>	<b>648</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>110,588</b>	<b>94,324</b>

## DEFINITIONS

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**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.



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Picture above: Visualization of an ECHO television being used for explaining and teaching Space Exploration. Video can be seen [here](#).



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