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Anthon Berg
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Q3 INTERIM REPORT

1 JULY – 30 SEPTEMBER 2022

Realfiction Holding AB (publ) | 559110-4616

Q3 INTERIM REPORT

Q3-2022 (01-07-2022 – 30-09-2022)

- Revenue: TSEK 2,481 (Q3-2021: TSEK 6,709)
- Gross profit: TSEK 1,781 (Q3-2021: TSEK 3,753)
- Gross profit margin: 71.8% (Q3-2021: 55.9%)
- Result after financial items: TSEK -1,191 (Q3-2021: TSEK 1,512)
- Earnings per share: SEK -0.01 (Q3-2021: 0.11)
- Cash flow from operating activities: TSEK -1,530 (Q3-2021: TSEK -1,095)
- Equity: TSEK 74,603 (Q3-2021: TSEK 71,486)

Q1-Q3 2022 (01-01-2022 – 30-09-2022)

- Revenue: TSEK 9,410 (Q1-Q3 2021: TSEK 10,101)
- Gross profit: TSEK 6,117 (Q1-Q3 2021: TSEK 5,461)
- Gross profit margin: 65.0% (Q1-Q3 2021: 54.1%)
- Result after financial items: TSEK -1,858 (Q1-Q3 2021: TSEK -3,276)
- Earnings per share: SEK 0.03 (Q1-Q3 2021: -0.06)
- Cash flow from operating activities: TSEK -2,540 (Q1-Q3 2021: TSEK -2,465)
- Equity: TSEK 74,603 (Q1-Q3 2021: TSEK 71,486)



Picture on front page and above: Dreamoc HD3 used by Anthon Berg at Copenhagen Airport, September 2022.

SIGNIFICANT EVENTS DURING Q3-2022

No significant events have been announced during the period.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

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

CEO COMMENTS

ENCOURAGING ECHO DEVELOPMENT PROGRESS

During the third quarter of 2022, we continued to have a strong focus on developing the first ECHO LCD display together with our strategic partner AmTRAN, a major LCD display manufacturer and a large Realfiction shareholder. This work continues to progress according to plan, which means that we are really starting to see the completion of this crucial milestone on the horizon. It is really satisfying to be a part of our highly talented and experienced team, now based in both Denmark and Taiwan, as we continue to take important steps towards the realization of our vision each month. We continue to be on target of completing the first ECHO display during the first half of 2023.

We continue to patent protect the development while making progress in both the hardware and the software side of ECHO. Funding of the progress comes partly from the TSEK 1,753 received in Q1-Q3 2022 from Innovation Fund Denmark of an up to 5 MDKK Innobooster subsidy granted. The software behind ECHO is as previously mentioned of great importance, both when it comes to making the technology work smoothly and facilitating the creation of exciting 3D content and use-cases for the ECHO platform. This includes our Holowize 3D film conversion technology, which will enable us to reinstate the living room as a place for having 3D cinema-like experiences with friends and family, but

this time without those distracting glasses that have been a major obstacle for mass adoption in the past.

ECHO PRESENTATIONS FOR POTENTIAL PARTNERS PLANNED IN THE US, EUROPE AND ASIA

Based on Realfiction's reputation as a trusted provider of mixed reality displays, in combination with the information we have shared on our ECHO technology so far, we are noticing a strong interest in the ECHO platform from leading players in the display and commercial/consumer electronics industries. In fact, we

are being approached by a growing number of potential commercial partners/licensees from many parts of the world. These companies include display manufacturers as well as product providers in many industries, including large and global consumer segments, and discussions with some of them have been initiated. Based on the

strong interest from potential commercial partners/licensees, we are now planning for presentations of our first ECHO display in the US, Europe and Asia. It is great to see such strong interest in ECHO from prominent companies, and I feel that we will have a strong position to enter into favourable agreements as long as we can deliver on our promises. Using 3D experiences in various industries is a very strong mega trend, which means that our ECHO business will likely be less impacted by current economic trends compared to our Sales activities.

“Based on the strong interest from potential commercial partners/licensees, we are now planning for presentations of our first ECHO display in the US, Europe and Asia.”

MAAS FOR EXHIBITIONS AND EXPERIENCE (HARDWARE): NORMAL SUMMER SEASON

As we expected, our Sales activities delivered lower sales numbers in Q3 compared to the previous quarter. This is due to normal seasonal behaviour in the market, where hardware purchases and event activities slow down during the summer before picking up speed again in late September-October. There is also a significant decline in sales compared to Q3-2021, and this is due to the fact that we received some exceptionally large orders in Q3-2021 including several Dreamoc XL4 and Diamond displays to an Asian and some European end-customers and partners. Looking ahead, we expect our sales to increase in Q4 compared to Q3 as we enter the busy autumn and winter season, with many campaigns and events being planned by our end-customers and partners in all of our focus regions.

APPROACHING A PIVOTAL YEAR FOR REALFICTION

Time is moving fast, with just over a month remaining of the year. While being overshadowed by the horrible

events taking place in Ukraine, 2022 has been a very busy and successful year for our ECHO development, and thus for Realfiction as a company. I am really proud of what the whole Realfiction team has been able to accomplish, and I also want to thank all our partners and shareholders for their continued support of our vision throughout the year. Looking ahead, we expect 2023 to be a pivotal year for our company. We will finally be able to present the first ECHO display to the world, including potential commercial partners/licensees, and then hopefully move into more concrete discussions, negotiations and finally initiate commercialization projects with the most suitable partners, including our highly valued strategic partner AmTRAN. In other words, 2023 will definitely be the most exciting year yet for Realfiction.



Clas Dyrholm
CEO, Realfiction Holding AB



REALFICTION'S BUSINESS AND CONCEPT

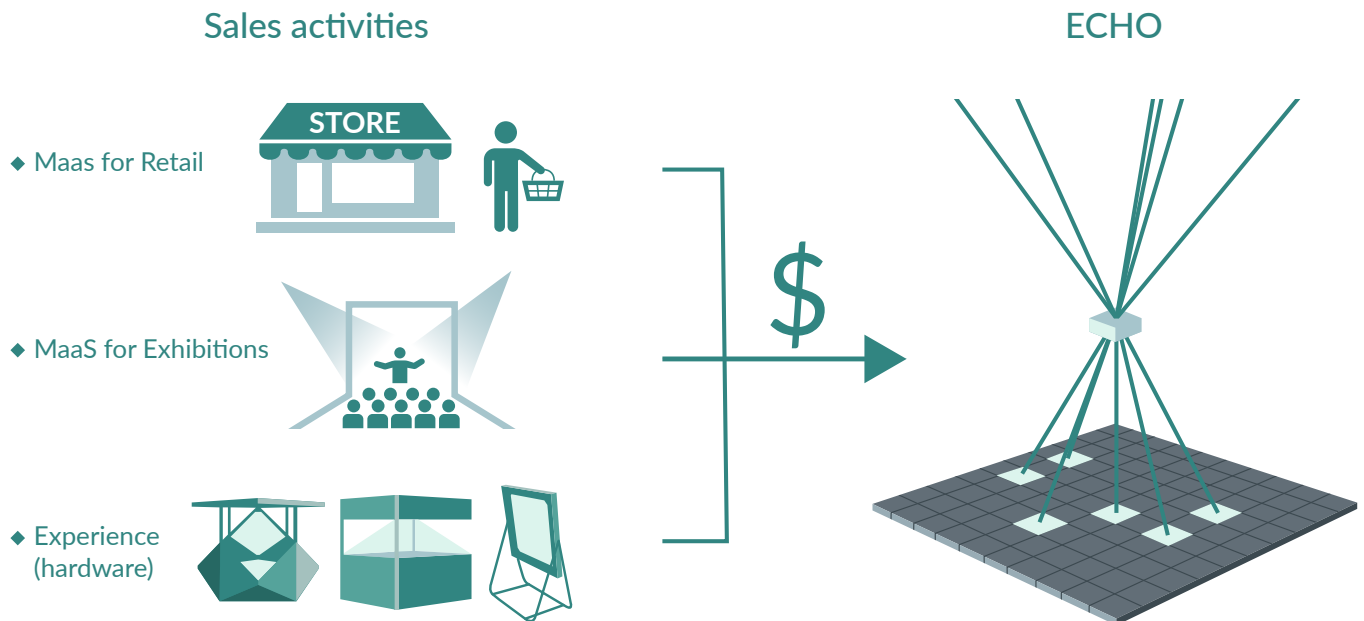
LEADING MIXED REALITY PRODUCTS AND SERVICES

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

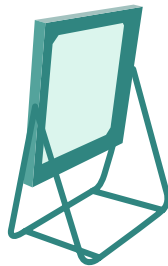
2008-2017 FIRST PHASE

- 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.

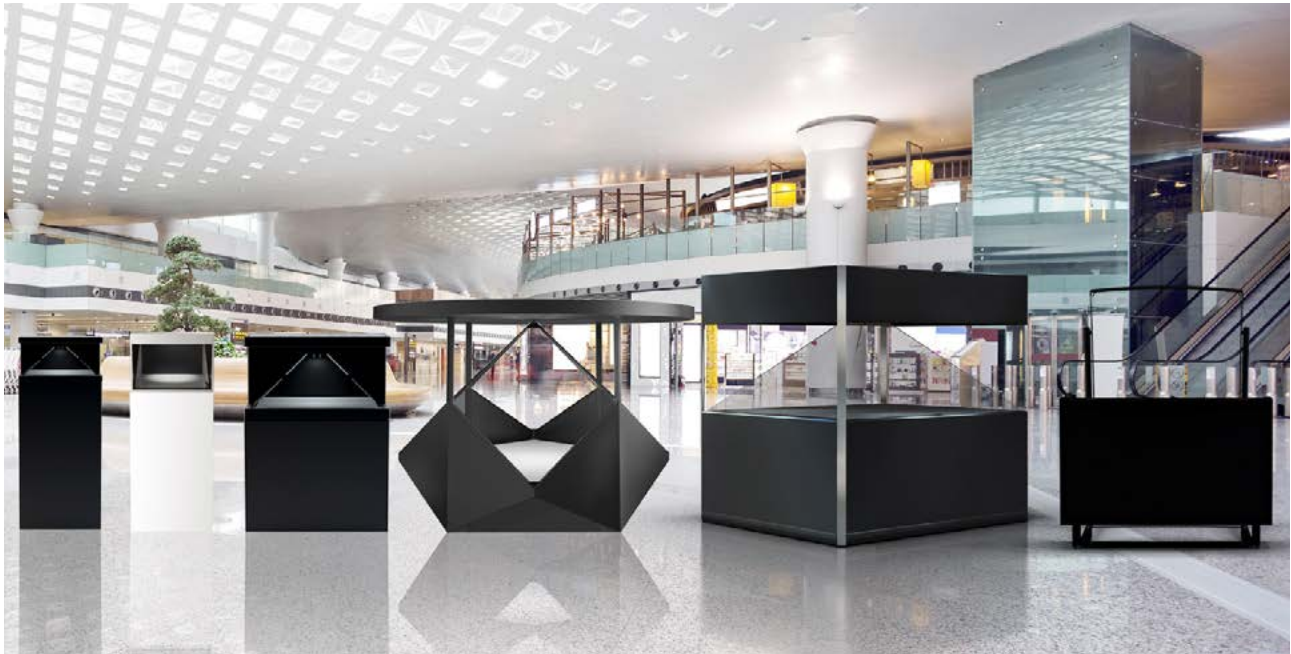


2023- EXPECTED ECHO COMMERCIALIZATION PHASE

- 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

As anticipated in our CEO comments of the Q2 interim report, during the summer months we saw a seasonal decline in sales as our costumers refueled before a busier fall.

Income Statement in Q3-2022

Group net revenue amounts to TSEK 2,481 for Q3-2022, representing a decline of 63% from Q3-2021 of TSEK 6,709. Revenue in Q3-2021 included sales of several Dreamoc XL4 and Diamond displays to an Asian and some European end-customers and partners. Such large orders were not realized in Q3-2022, where we saw a more typical seasonal trend with slow summer months. Revenue in Q3-2022 includes sales from our Magic-as-a-Service concept of TSEK 116 compared to TSEK 632 in Q3-2021. Adjusted for currency conversion effects, the Company's revenue in Q3-2022 decreased by 25% to TDKK 1,733 compared to the average quarterly revenue in 2021 of TDKK 2,304.

Cost of goods sold amounts to TSEK 700 for Q3-2022, compared to TSEK 2,956 for Q3-2021. Thus, our gross profit in Q3-2022 decreased to TSEK 1,781 from 3,753 in Q3-2021. This resulted in a significantly increased gross profit margin in Q3-2022 of 71.8% compared to 55.9% in Q3-2021. 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).

In Q3-2022 the Company has continued to capitalize development expenditure relating to ECHO that fulfils the requirements of the capitalization accounting principle. As such, the Q3-2022 Income Statement includes income from the capitalization of own work performed of TSEK 1,344 compared to TSEK 1,615 in Q3-2021 from the capitalization of salaries and internal expenses relating to ECHO. The decline in income is due to the inclusion of an adjustment of the 2022 indirect production cost in Q3-2022.

Other external costs declined to TSEK 763 in Q3-2022 from 1,031 in Q3-2021. The decline was primarily due to savings from a subsidiary's move to a smaller but more central location in Copenhagen.

Personnel costs increased to TSEK 3,318 in Q3-2022 compared to TSEK 2,800 in Q3-2021. The increase is due to the addition of two new employees and salary increases due to inflation.

All in all, our net operating cost increased by TSEK 756 in Q3-2022 to TSEK 2,904 from TSEK 2,148 in Q3-2021.

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

Income Statement in Q1-Q3 2022

Group net revenue amounts to TSEK 9,410 for Q1-Q3 2022, representing a decline of 7% from Q1-Q3 2021 of TSEK 10,101. Revenue in Q1-Q3 2021 included sales of several Dreamoc XL4 and Diamond displays to an Asian and some European end-customers and partners. Such large orders were not realized in Q1-Q3 2022. Revenue in Q1-Q3 2022 includes sales from our Magic-as-a-Service concept of TSEK 1,353 compared to TSEK 632 in Q1-Q3 2021.

Cost of goods sold amounts to TSEK 3,293 for Q1-Q3 2022, compared to TSEK 4,640 for Q1-Q3 2021. Thus, our gross profit in Q1-Q3 2022 increased to TSEK 6,117 from 5,461 in Q1-Q3 2021. This resulted in a significantly increased gross profit margin in Q1-Q3 2022 of 65% compared to 54.1% in Q1-Q3 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).

The increase in other income from TSEK 467 in Q1-Q3 2021 to TSEK 730 in Q1-Q3 2022 is due to the receipt of a final COVID-19 compensation from the Danish authorities in Q1-2022

In Q1-Q3 2022 the Company has continued to capitalize development expenditure relating to ECHO that fulfils the requirements of the capitalization accounting principle. As such, the Q1-Q3 2022 Income Statement includes income from the capitalization of own work performed of TSEK 4,854 compared to TSEK 4,551 in Q1-Q3 2021 from the capitalization of salaries and internal expenses relating to ECHO.

Other external costs declined to TSEK 2,719 in Q1-Q3 2022 from 3,706 in Q1-Q3 2021. The decline was due to the Q1-Q3 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 savings from a subsidiary's move to a smaller but more central location in Copenhagen.

Cash-based personnel costs increased to TSEK 9,950 in Q1-Q3 2022 (TSEK 98 of the personnel cost is non-cash costs related to a warrant program to the board members) compared to TSEK 8,116 in Q1-Q3 2021 (TSEK 1,093 of the personnel cost was non-cash costs related to a warrant program to the CFO and board members). The increase is due to the addition of two new employees, salary increases due to inflation and accruals for expected 2022 performance bonuses.

All in all, our cash-based net operating cost increased by TSEK 525 in Q1-Q3 2022 to TSEK 7,671 from TSEK 7,146 in Q1-Q3 2021 (exclusive of non-cash remuneration of TSEK 98 in Q1-Q3 2022 and TSEK 1,363 in Q1-Q3 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 September 2022 amount to TSEK 86,657 compared to TSEK 81,966 at 31 December 2021. The increase is primarily due to the continued investments in the ECHO technology.

Investments

In Q3-2022, the Company has capitalized additional development expenditure of TSEK 4,352 (TSEK 2,687 in Q3-2021), 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 September 2022 amounts to TSEK 28,516 compared to TSEK 40,850 at 31 December

2021. Cash flow from operating activities for Q3-2022 declined to TSEK -1,530 compared to TSEK -1,095 for Q3-2021. The decline is primarily due to the lower gross profit in Q3-2022 compared to Q3-2021. 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 TSEK 1,753 in the first tranches of the grant in June and September 2022, and the Company expects to receive more tranches in the coming quarters. Cash Flow from operating activities for Q1-Q3 2022 was TSEK -2,540 compared to TSEK -2,465 for Q1-Q3 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 September 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 - Q3-2022 (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 September 2022 inclusive of fully paid but not yet registered/issued share issues.

Name	Number of shares	Ownership (in %)
Ceranco Equity S.C.S 1)	3,194,447	16.18
CLAPE HOLDING ApS 2)	3,005,000	15.22
AmTRAN Technology Co. LTD 3)	2,065,123	10.46
Tamarind Limited 1)	1,599,461	8.10
Försäkringsaktiebolaget, Avanza Pension	990,437	5.02
Other shareholders (more than 3,200)	8,883,379	45.02
Total	19,737,847	100.00

1. Ceranco Equity S.C.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 Q3 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:

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 Q3 Interim Report 2022 presents a fair view of the financial position of the Company at 30 September 2022 as well as of the results of the Group operations and cash flows for the periods 1 July – 30 September 2022 and 1 January – 30 September 2022.

Helsingborg, 24 November 2022

**Realfiction Holding AB
Board of Directors and CEO**

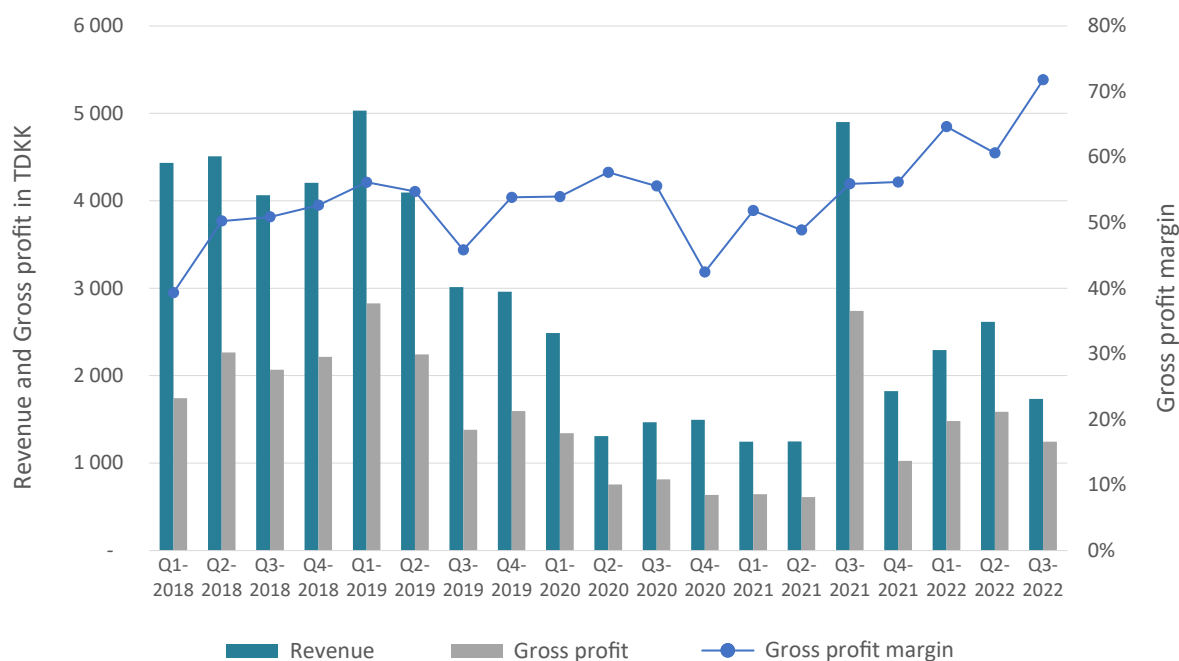
This information is information that Realfiction Holding AB is obliged to make public pursuant to the Swedish Securities Market Act (Lagen (2007:528) om värdepappersmarknaden). The information was submitted for publication, through the agency of the contact person set out above, on 24 November 2022.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

Selected Financial Highlights and Key Ratios – Group

SEK '000	Q3-2022	Q3-2021	Q1-Q3 2022	Q1-Q3 2021	2021
	01-07-2022 -30-09-2022 3 months	01-07-2021 -30-09-2021 3 months	01-01-2022 -30-09-2022 9 months	01-01-2021 -30-09-2021 9 months	01-01-2021 -31-12-2021 12 months
Net revenue	2,481	6,709	9,410	10,101	12,575
Gross profit	1,781	3,753	6,117	5,461	6,848
Result after financial items	-1,191	1,512	-1,858	-3,276	-4,554
Total Assets	86,657	65,419	86,657	65,419	81,966
Cash flow from operating activities	-1,530	-1,095	-2,540	-2,465	-1
Cash and bank	28,516	28,943	28,516	28,943	40,850
Equity	74,603	55,207	74,603	55,207	71,486
Solvency ratio (%)	86.1	84.4	86.1	84.4	87.2
Average number of employees	11	9	11	9	9
Gross profit margin (%)	71.8	55.9	65.0	54.1	54.5
Earnings per share (SEK)	-0.01	0.11	0.03	-0.06	-0.05
Average number of shares	19,737,847	18,241,442	19,736,609	18,241,442	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	Q3-2022 01-07-2022 -30-09-2022 3 months	Q3-2021 01-07-2021 -30-09-2021 3 months	Q1-Q3 2022 01-01-2022 -30-09-2022 9 months	Q1-Q3 2021 01-01-2021 -30-09-2021 9 months	2021 01-01-2021 -31-12-2021 12 months
Net revenue	2,481	6,709	9,410	10,101	12,575
Cost of goods sold	-700	-2,956	-3,293	-4,640	-5,727
Gross profit	1,781	3,753	6,117	5,461	6,848
Capitalized own work performed	1,344	1,615	4,854	4,551	6,268
Other external costs	-763	-1,031	-2,719	-3,706	-5,356
Personnel costs	-3,318	-2,800	-10,048	-9,209	-12,058
Depreciation of tangible fixed assets	-210	-197	-586	-612	-786
Other income and expenses	43	265	730	467	808
Operating result	-1,123	1,605	-1,652	-3,048	-4,276
Other financial income	58	18	146	62	149
Other financial costs	-126	-111	-352	-290	-427
Result after financial items	-1,191	1,512	-1,858	-3,276	-4,554
Tax on the profit of the period	974	566	2,363	2,242	3,584
Net result for the period	-217	2,078	505	-1,034	-970

Balance Sheet (condensed) - Group

SEK '000	30-09-2022	30-09-2021	31-12-2021
Assets			
Non-current assets			
Development costs	41,835	22,777	29,209
Licenses	582	0	351
Total intangible assets	42,417	22,777	29,560
Fixtures, tools and installations	1,193	662	640
Total tangible assets	1,193	662	640
Other long-term receivables	2,764	2,601	309
Total financial assets	2,764	2,601	309
TOTAL NON-CURRENT ASSETS	46,374	26,040	30,509
Current assets			
Finished products and goods for sale	5,042	4,891	4,829
Total inventories	5,042	4,891	4,829
Trade receivables	513	2,735	479
Current tax receivables	3,888	1,451	3,654
Other receivables	1,858	985	1,164
Prepaid expenses	466	374	481
Total short-term receivables	6,725	5,545	5,778
Cash and bank	28,516	28,943	40,850
TOTAL CURRENT ASSETS	40,283	39,379	51,457
TOTAL ASSETS	86,657	65,419	81,966
Liabilities and Equity			
Equity			
Share capital	1,974	1,824	1,974
Other reserves incl. retained earnings	72,629	53,383	69,512
TOTAL EQUITY	74,603	55,207	71,486
Liabilities to credit institutions	2,156	2,002	3,926
Other liabilities	812	737	763
Prepaid income	2,679	816	822
Total long-term liabilities	5,647	3,555	5,511
Liabilities to credit institutions	2,021	1,887	0
Accounts payable	1,562	2,296	1,954
Prepaid income	490	222	832
Other liabilities	2,334	2,252	2,183
Total short-term liabilities	6,407	6,657	4,969
TOTAL LIABILITIES	12,054	10,212	10,480
TOTAL LIABILITIES AND EQUITY	86,657	65,419	81,966

Cash Flow Statement (condensed) – Group

SEK '000	Q3-2022 01-07-2022 -30-09-2022 3 months	Q3-2021 01-07-2021 -30-09-2021 3 months	Q1-Q3 2022 01-01-2022 -30-09-2022 9 months	Q1-Q3 2021 01-01-2021 -30-09-2021 9 months	2021 01-01-2021 -31-12-2021 12 months
Operating result	-1,123	1,605	-1,652	-3,048	-4,276
Depreciation	210	197	586	612	786
Non-cash warrant program	33	31	98	1,363	1,394
Paid financial costs	-68	-94	-205	-228	-256
Tax payments	0	0	0	0	1,486
Cash flow from operating activities before changes in operating capital	-948	1,739	-1,173	-1,301	-866
Operating activities					
Change in inventories	365	757	93	1,617	1,716
Change in short term receivables	-89	-2,090	-565	-2,362	-328
Change in short term liabilities	-858	-1,501	-895	-419	-523
Cash flow from operating activities	-1,530	-1,095	-2,540	-2,465	-1
Investing activities					
Purchase of tangible assets	-294	-272	-1,082	-315	-484
Sale of tangible assets	0	0	0	0	17
Proceeds from financial assets	0	275	-20	-38	-43
Purchase of intangible assets	-4,352	-2,687	-10,621	-10,502	-17,231
Cash flow from investing activities	-4,646	-2,684	-11,723	-10,855	-17,741
Financing activities					
Innobooster grant	1,075	0	1,751	0	0
Capital increase, net of costs	-7	-26	-13	-107	15,893
Cash flow from financing activities	1,068	-26	1,738	-107	15,893
Cash flow for the period	-5,108	-3,805	-12,525	-13,427	-1,849
Cash and cash equivalents at period start	33,585	32,720	40,850	42,372	42,372
Exchange rate recalculation difference – cash and cash equivalents	39	28	191	-2	327
Cash and cash equivalents at period end	28,516	28,943	28,516	28,943	40,850

Statement of Changes in Equity (condensed) - Group

SEK '000	Q3-2022	Q3-2021	Q1-Q3 2022	Q1-Q3 2021	2021
	01-07-2022 -30-09-2022 3 months	01-07-2021 -30-09-2021 3 months	01-01-2022 -30-09-2022 9 months	01-01-2021 -30-09-2021 9 months	01-01-2021 -31-12-2021 12 months
Equity at period start	73,993	53,023	71,486	54,885	54,885
Exchange adjustments	801	101	2,527	100	284
Capital increase, net of costs	-7	-26	-13	-107	15,893
Warrant program	33	31	98	1,363	1,394
Net result for the period	-217	2,078	505	-1,034	-970
Equity at period end	74,603	55,207	74,603	55,207	71,486

Income Statement (condensed) – Parent company

SEK '000	Q3-2022	Q3-2021	Q1-Q3 2022	Q1-Q3 2021	2021
	01-07-2022 -30-09-2022 3 months	01-07-2021 -30-09-2021 3 months	01-01-2022 -30-09-2022 9 months	01-01-2021 -30-09-2021 9 months	01-01-2021 -31-12-2021 12 months
Operating income					
Net revenue (group internal)	150	150	450	450	600
Operating costs					
External costs	-195	-241	-795	-902	-1,213
Personnel costs	-165	-166	-504	-423	-579
Operating result	-210	-257	-849	-875	-1,192
Other financial income	17	0	17	0	0
Result after financial items	-193	-257	-832	-875	-1,192
Net result for the period	-193	-257	-832	-875	-1,192

Balance Sheet (condensed) – Parent company

SEK '000	30-09-2022	30-09-2021	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	9,033	14,227	0
Other receivables	55	44	65
Prepaid expenses	127	134	80
Total short-term receivables	9,215	14,405	145
Cash and bank	26,089	24,352	35,982
TOTAL CURRENT ASSETS	35,304	38,757	36,127
TOTAL ASSETS	109,765	94,673	110,588
Liabilities and Equity			
Equity			
Share capital	1,974	1,824	1,971
Other reserves	108,306	93,451	109,304
Net result of the period	-832	-875	-1,192
TOTAL EQUITY	109,448	94,400	110,083
Trade payables	152	119	195
Other payables	165	154	310
Total short-term liabilities	317	273	505
TOTAL LIABILITIES	317	273	505
TOTAL EQUITY AND LIABILITIES	109,765	94,673	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: Dreamoc Diamond used by Wabtec at the Bauma Expo in Munich, October 2022.



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