



汕頭超聲顯示器有限公司
SHANTOU GOWORLD DISPLAY CO., LTD



INTERIM REPORT

1 JULY - 30 SEPTEMBER 2024

Realfiction Holding AB (publ) | 559110-4616



INTERIM REPORT

Q3-2024 (01-07-2024 – 30-09-2024)

- Revenue: TSEK 9,835 (Q3-2023: TSEK 2,539)
- Gross profit: TSEK 8,074 (Q3-2023: TSEK 1,647)
- Gross profit margin: 82.1% (Q3-2023: 64.9%)
- Result after financial items: TSEK -340 (Q3-2023: TSEK -1,529)
- Earnings per share: SEK -0.02 (Q3-2023: -0.08)
- Cash flow from operating activities: TSEK -4,082 (Q3-2023: TSEK -243)
- Equity: TSEK 51,724 (Q3-2023: TSEK 69,979)

Q1-Q3, 2024 (01-01-2024 – 30-09-2024)

- Revenue: TSEK 14,046 (Q1-Q3, 2023: TSEK 7,131)
- Gross profit: TSEK 10,657 (Q1-Q3, 2023: TSEK 4,587)
- Gross profit margin: 75.9% (Q1-Q3, 2023: 64.3%)
- Result after financial items: TSEK -16,971 (Q1-Q3, 2023: TSEK -5,812)
- Earnings per share: SEK -0.85 (Q1-Q3, 2023: -0.29)
- Cash flow from operating activities: TSEK -15,585 (Q1-Q3, 2023: TSEK -5,489)
- Equity: TSEK 51,724 (Q1-Q3, 2023: TSEK 69,979)



Picture on front page: Visit at Shantou Goworld Display Co. Ltd. facility, Shantou, China, August 2024.

Picture above: Steen Iversen and the rest of the speakers at PlayNitride's 2024 MicroLED Technology Forum, Taipei, Taiwan, September 2024.

SIGNIFICANT EVENTS DURING Q3-2024

- On September 4, Realfiction announced an agreement for its Directional Pixel Technology with an undisclosed customer. This agreement secures 7 MSEK in revenue, thanks to the successful delivery and approval of a custom-tailored proof of concept, and the Company expects to receive payment of the 7 MSEK in the fourth quarter of 2024.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events were reported after the end of the period.

CEO COMMENTS

FIRST DPT-RELATED COMMERCIAL AGREEMENT

In Q3, we achieved a significant milestone by completing our first DPT-related commercial agreement. This custom proof-of-concept project, valued at SEK 7.4 million, marked our first revenue from an undisclosed commercial customer and underscores the groundbreaking potential of DPT. While this project has until now not resulted in an extended commercialization agreement, it successfully demonstrated DPT's ability to meet the evolving demands of next-generation entertainment venues. This aligns with our vision to support industries such as automotive, gaming, entertainment, and medical technology—sectors that present exciting growth opportunities.

The payment from this agreement, expected before the end of 2024, extends our liquidity through the first half of 2025 under the planned assumptions. As a result, we decided against utilizing the second tranche of our loan facility with Formue Nord, reflecting our commitment to maintaining shareholder value while advancing our go-to-market strategy.

ADVANCING A SCALABLE DPT PRODUCTION FRAMEWORK

During this quarter we also made significant strides toward establishing a scalable production framework for our Directional Pixel Technology™ (DPT). The production of a key DPT component is now being established together with Shantou Goworld Display Co. Ltd. ("Goworld"), part of Guangdong Goworld Co. Ltd., a highly respected group in the display manufacturing industry. Designed for mass production, this unique component includes significant Realfiction intellectual property and can power future DPT products, whether based on LCD, OLED, or MicroLED technologies. By establishing a professional and scalable production pipeline, we enable a seamless integration into a variety of display technologies by companies across multiple industries.

ESTABLISHING PRODUCTION CAPABILITIES

The decision to establish production capabilities reflects an important strategic refinement. During meetings and presentations, we have consistently encountered requests to validate the viability of our mass-production plans. By producing the DPT key component ourselves, we simplify the path to licensing by providing a clear and scalable manufacturing framework. This step will demonstrate the viability of our technology at scale while also helping us retain control over critical manufacturing stages, potentially safeguarding our intellectual property and facilitating seamless integration with future partners.

EXPLORING DPT'S POTENTIAL IN MICROLED COLLABORATION

Following Steen Iversens (Director of Advanced Display Technology) keynote presentation at the PlayNitride MicroLED Technology Forum, we have entered preliminary discussions for a potential collaboration with a leading MicroLED technology company. Engineers from both sides are now collectively

exploring the potential for DPT in MicroLED applications, a development that could redefine display capabilities in this emerging field.

THE STRATEGIC ROLE OF OUR R&D FACILITIES IN TAIWAN

Our R&D facilities in Taiwan have been crucial in advancing our DPT production capabilities and exploring its potential in MicroLED applications. Located in a global hub for display technology, these facilities have driven efforts to establish our first DPT production line and facilitated discussions with leaders in the display industry.

To meet growing demand, we are expanding our team in Taiwan to strengthen innovation, collaboration,

“In Q3, we achieved a significant milestone by completing our first DPT-related commercial agreement. This custom proof-of-concept project, valued at SEK 7.4 million, marked our first revenue from an undisclosed commercial customer and underscores the groundbreaking potential of DPT.”

and support for the commercialization of DPT. This investment will further solidify our position in the display manufacturing ecosystem.

OUR MIXED REALITY DISPLAY BUSINESS

In Q3, revenue from sales and rentals of our mixed reality displays reached nearly the same level as in Q3-2023, reflecting stable interest in these offerings. Notably, our order backlog going into Q4-2024 stands at SEK 1.4 million, compared to SEK 0.2 million at the same time last year, indicating a positive trend for the coming months. While our primary focus remains on advancing our DPT platform, the cash flows generated by our mixed reality business are fully reinvested into DPT, supporting its continued growth and development.

BUILDING MOMENTUM

While our financial runway currently extends through June 2025 under the planned assumptions, we recognize that building a sustainable foundation for long-term success requires more than funding alone. By establishing a clear

and scalable manufacturing path, we are reducing barriers for decision-makers at companies seeking to license our DPT technology. This progress strengthens our case for adoption by offering technical viability alongside a streamlined path to commercialization.

With these strategic advances and exciting developments on the horizon, I remain highly optimistic about Realfiction's future. Our commercial negotiations are progressing with encouraging momentum, and we are actively engaging with some of the world's leading display producers and companies across diverse industries.

I look forward to sharing tangible updates on agreements that will bring our pioneering DPT technology to the forefront of the display industry. Together with our dedicated team, partners, and shareholders, we are redefining the possibilities of display technology.



Clas Dyrholm
CEO, Realfiction Holding AB



REALFICTION'S BUSINESS AND CONCEPT

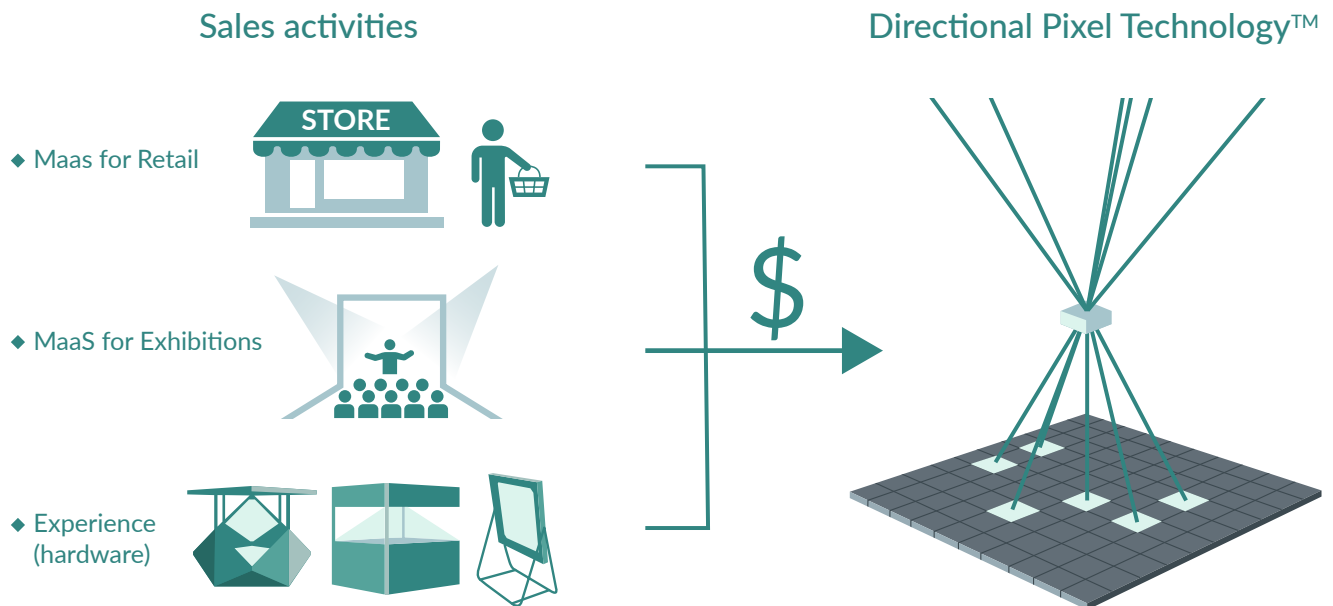
LEADING MIXED REALITY PRODUCTS

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.

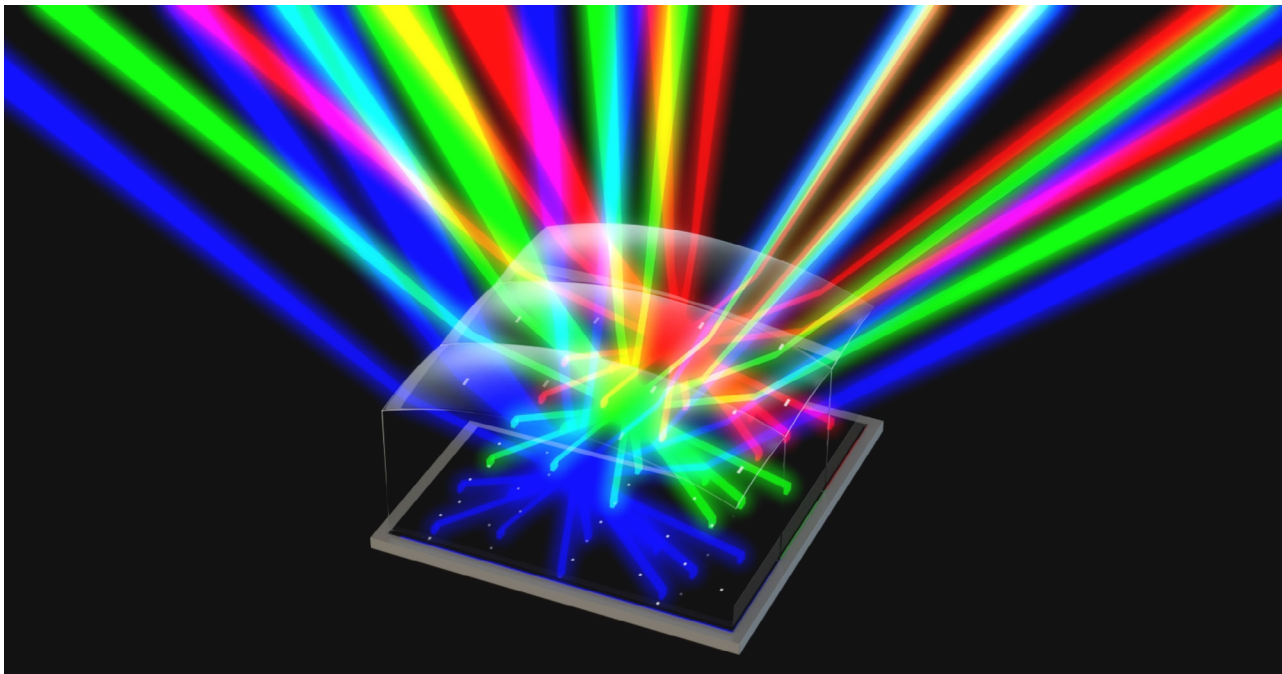
DPT – A GROUNDBREAKING NEXT-GENERATION DISPLAY TECHNOLOGY

Realfiction has developed Directional Pixel Technology™, a groundbreaking display 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. DPT can also enable multiple separate 2D or 3D views in full resolution at the same display, which is an attractive feature set for both entertainment and safety applications, such as making sure that the driver is not distracted when a car is moving. DPT is compatible with LCD, OLED and microLED displays and is ready for licensing to commercial partners based on a growing IP portfolio.



As shown in the illustration above, the positive cash-flows from mixed reality display product sales contribute positively to a partial financing of Realfiction's commercialization of its DPT technology.

DIRECTIONAL PIXEL TECHNOLOGY™ (DPT)



Since the beginning of our journey more than a decade ago, our vision has always been about creating experiences that bring people together. At the heart of this vision sits our innovation team, a group of dedicated, like-minded individuals all sharing the belief that our technology should be about enabling magical moments

that can be collectively experienced and shared with others. Realfiction has developed its Directional Pixel Technology™, a next-generation approach beyond head-mounted wearables, that we believe is just the first, primitive stage.

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

After many years of innovation and development, we have created an IP platform and licensing integration packages around DPT, a technology that enables 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 DPT, Realfiction has not only created an elegant solution for building such displays, it is also compatible with all three major display formats: LCD, OLED and microLED. Our DPT IP portfolio is constantly growing as we refine hardware and software aspects of the technology.

It is important to highlight that even though we come from a 3D experience perspective, DPT can do so much more. It is for example capable of providing multiple separate 2D or 3D views in full resolution from the same display, which is an attractive feature set for entertainment and gaming as well as safety applications, such as making sure that a driver is not distracted when a car is moving.

With successful demonstrations for potential commercial partners conducted in our Taiwan facilities from H1-2023, at Display Week 2023 in May, and during the CES week in January 2024, we are now advancing licensing discussions with several potential commercial partners in multiple industries, from display manufacturers and display IP providers to providers of display-based products and automotive companies.

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

COMPANY DEVELOPMENT AND FUTURE

2008-2017 FIRST PHASE

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

2017-2018 PRE-DPT PHASE

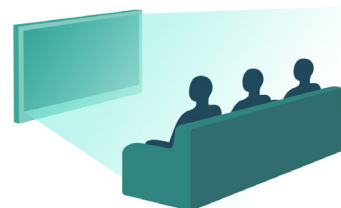
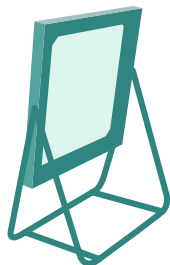
- In 2017, Realfiction was listed on Nasdaq First North Growth Market.
- With increased funding and resources, the company launched DeepFrame, the world's largest mixed reality display.

2019-2023 DPT DEVELOPMENT PHASE

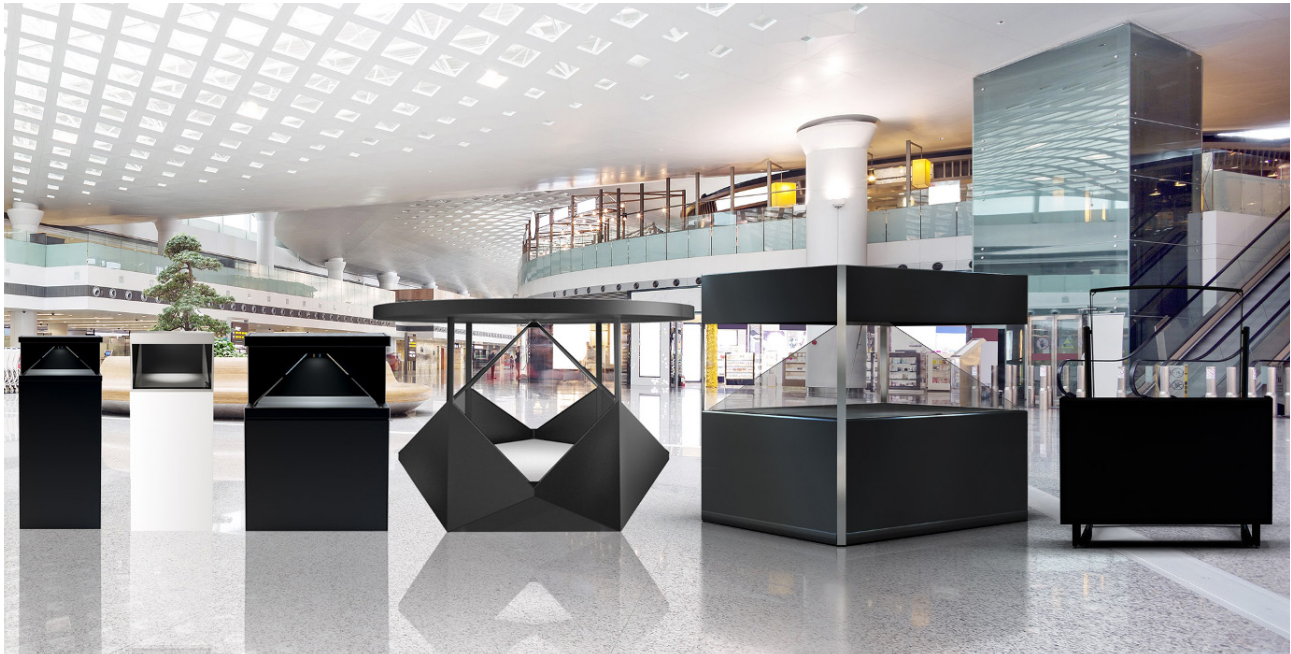
- In 2019, the company presented DPT (previously named ECHO) and completed a proof of concept for the technology.
- In 2020, a beta version of an LCD DPT display was created. This was followed by an ambitious development program with several international partners, including Fraunhofer FEP and imec,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

2023- (ONGOING) DPT COMMERCIALIZATION PHASE

- In 2023, the company completed the first DPT LCD display, as well as demonstrators for an OLED version and a microLED version. DPT is thus compatible with all of the three major display technologies.
- The DPT IP portfolio was expanded with an exclusive license for super-fast ferroelectric liquid crystal (FLC) technology from Hong Kong University of Science and Technology. Two DPT patents were issued in 2023 and two more in 2024.
- Demonstrations in Taiwan were held for potential commercial partners, followed by the world premiere of the microLED version at Display Week 2023 in May, and a total of 38 meetings during the CES week in Las Vegas in January 2024.
- In 2024, the company has a strong focus on signing licensing agreements for DPT with commercial partners, while refining the technology and expanding the IP portfolio.



MIXED REALITY DISPLAY PORTFOLIO



DREAMOC – WORLD CLASS HOLOGRAPHIC EFFECTS

Dreamoc is a series of MR displays with a diamond shaped glass chamber where pictures and 3D animations appear to be floating together with real products. The content can be seen either from the front or from several directions simultaneously.

Dreamoc HD3 is the smallest and most flexible model for single products that can be experienced from several directions simultaneously. **Dreamoc POP3** can only be experienced from the front and is especially well suited for displays on shelves and for displaying several objects together. **Dreamoc XL5** and **Dreamoc XXL3** are, as their names suggest, larger models that make it possible to create attention for really large objects, for instance at airports or in shopping malls. **Dreamoc Diamond** is one of Realfiction's biggest Dreamoc displays, and the most elegant. A Dreamoc Diamond creates an extraordinary experience that fits brilliantly into exclusive boutiques.

DEEPFRAME – THE WORLD'S LARGEST MIXED REALITY DISPLAY

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

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

Picture above: Realfiction's display portfolio

FINANCIAL REVIEW

INCOME STATEMENT IN Q3-2024

Group net revenue amounts to TSEK 9,835 for Q3-2024, representing an increase of 287% from Q3-2023 of TSEK 2,539. Adjusted for currency conversion effects, the Company's revenue in Q3-2024 increased by 473% to TDKK 9,205 compared to the average quarterly revenue in 2023 of TDKK 1,607. The increase in revenue was driven by the sale of a custom-tailored Directional Pixel Technology proof of concept for MSEK 7.4 to an undisclosed customer in Q3-2024.

Cost of goods sold amounts to TSEK 1,761 for Q3-2024, compared to TSEK 892 for Q3-2023. Thus, our gross profit in Q3-2024 increased to TSEK 8,074 from TSEK 1,647 in Q3-2023. This resulted in increased gross profit margin in Q3-2024 of 82.1% compared to 64.9% in Q3-2023. The increase was driven by the sale of the beforementioned proof of concept, which had a high gross profit margin, as its primary cost was salaries.

Other income increased to TSEK 284 in Q3-2024 from TSEK 44 in Q3-2023, primarily due to the amortization of previously received Innobooster grants in 2024.

In Q3-2024 the Company has performed additional research and development and patent protection efforts, but such incurred cost are not capitalized as the patent portfolio is marketed for licensing as part of the Company's go-to market strategy. As such, the Q3-2024 Income Statement does not include income from the capitalization of own work performed compared to income of TSEK 2,450 in Q3-2023 from the capitalization of salaries and internal expenses relating to the Directional Pixel Technology.

Other external costs increased to TSEK 1,649 in Q3-2024 from TSEK 916 in Q3-2023, primarily due to the execution of the DPT go-to-market strategy, which involved higher travel, selling, and marketing expenses. Additionally, research, development, and patent protection costs, which were capitalized in Q3-2023, were also incurred in Q3-2024 but were expensed in the current period.

Cash-based personnel costs declined by TSEK 382 to TSEK 4,108 in Q3-2024 (TSEK 59 of the personnel cost is non-cash costs related to warrant programs) compared to TSEK 4,490 in Q3-2023. The decrease was driven by a

reduction in the number of employees by two employees in Q3-2024 compared to Q3-2023.

The Company has commenced depreciation of its Directional Pixel Technology intangible asset, and determined that a 10 year expected life is appropriate for accounting purposes. As such, depreciation has increased from TSEK 151 in Q3-2023 to TSEK 1,843 in Q3-2024.

Group net financial costs consist of interest on the loan with Vækstfonden and amortized financial expenses on the new loan with Formue Nord, while other financial income include interest from bank deposits.

INCOME STATEMENT IN Q1-Q3, 2024

Group net revenue amounts to TSEK 14,046 for Q1-Q3 2024, representing an increase of 97% from Q1-Q3 2023 of TSEK 7,131. Adjusted for currency conversion effects, the Company's revenue in Q1-Q3 2024 increased by 100% to TDKK 9,205 compared to the same period in 2023 of TDKK 4,636. The increase in revenue was driven by the sale of a custom-tailored Directional Pixel Technology proof of concept for MSEK 7.4 to an undisclosed customer in Q3-2024.

Cost of goods sold amounts to TSEK 3,389 for Q1-Q3 2024, compared to TSEK 2,544 for Q1-Q3 2023. Thus, our gross profit in Q1-Q3 2024 increased to TSEK 10,657 from TSEK 4,587 in Q1-Q3 2023. This resulted in increased gross profit margin in Q1-Q3 2024 of 75.9% compared to 64.3% in Q1-Q3 2023. The increase was driven by the sale of a DPT proof of concept, which had a high gross profit margin, as its primary cost was salaries.

Other income increased to TSEK 759 in Q1-Q3 2024 from TSEK 161 in Q1-Q3 2023, primarily due to the amortization of previously received Innobooster grants in 2024.

In Q1-Q3 2024 the Company has performed additional research and development and patent protection efforts, but such incurred cost are not capitalized as the patent portfolio is marketed for licensing as part of the Company's go-to market strategy. As such, the Q1-Q3 2024 Income Statement does not include income from the capitalization of own work performed compared to income of TSEK 7,380 in Q1-Q3 2023 from the

capitalization of salaries and internal expenses relating to the Directional Pixel Technology.

Other external costs increased to TSEK 6,356 in Q1-Q3 2024 from TSEK 3,490 in Q1-Q3 2023, primarily due to the execution of the DPT go-to-market strategy, which involved higher travel, selling, and marketing expenses. Additionally, research, development, and patent protection costs, which were capitalized in Q1-Q3 2023, were also incurred in Q1-Q3 2024 but were expensed in the current period.

Cash-based personnel costs decreased by TSEK 194 to TSEK 13,479 in Q1-Q3 2024 (TSEK 303 of the personnel cost is non-cash costs related to warrant programs) compared to TSEK 13,673 in Q1-Q3 2023. The decrease was driven by a combination of the reduction in the number of employees by one person and salary increases prompted by inflation.

Group net financial costs consist of interest on the loan with Vækstfonden and amortized financial expenses on the new loan with Formue Nord, while other financial income include interest from bank deposits.

Balance Sheet

Realfiction's total assets at 30 September 2024 increased to TSEK 92,651 compared to TSEK 89,491 at 31 December 2023. Trade receivables increased to TSEK 7,839 from TSEK 100 at 31 December 2023 as revenue from the proof of concept is expected to be received in Q4-2024. In addition, the balance sheet at 30 September 2024 includes the balance of a loan from Formue Nord of MSEK 20 that was received in Q1-2024.

Investments

In Q3-2024, the Company did not capitalize any development expenditures. In contrast, the Company capitalized TSEK 4,186 in Q3-2023 from investments in intangible assets.

Cash Flow and Liquidity

Realfiction's liquidity at 30 September 2024 amounts to TSEK 14,335 compared to TSEK 12,523 at 31 December 2023. Cash flow from operating activities for Q3-2024

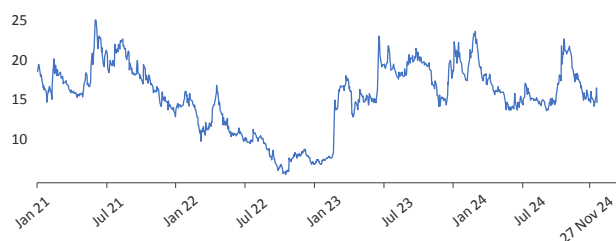
declined to TSEK -4,082 compared to TSEK -243 for Q3-2023. The primary reason for this is the acceleration of the go-to market strategy, which involved higher travel, selling, and marketing expenses, as well as additional costs related to research, development, and patent protection efforts.

The Company's total cash outflows from operations and investments in DPT has decreased by TSEK 373 to TSEK 4,082 in Q3-2024 from TSEK 4,455 in Q3-2023. This is a positive result of the Company's changed focus from primarily enhancing its proprietary patent portfolio and developing display prototypes, demonstrators and proofs of concept towards primarily commercializing the technology by executing its go-to market strategy. Due to the lower level of cash outflows and expected payment of SEK 7.4 million for the proof of concept, the Company has cash that is expected to allow the Company to sustain all its business operations, including the execution of its go-to-market strategy for its Directional Pixel Technology™ through the first half of 2025. Realfiction also has the right to repay the loan at any time without any early repayment fee when new agreements for the Directional Pixel Technology™ result in positive cash flows.

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 2024, the number of shares in Realfiction Holding AB amounts to 19,776,447. The Company has one share class. All shares have equal dividend rights.

Share price development in 01/01/2021 - 27/11/2024 (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 2023 Annual Report.

OWNERSHIP STRUCTURE

Realfiction has almost 3,000 shareholders. Shareholders holding over 5% are as follows at 30 September 2024.

| Name | Ownership (in %) |
|---|------------------|
| Ceranco Equity S.C.S 1) | >15% |
| CLAPE HOLDING ApS 2) | >15% |
| AmTRAN Technology Co. LTD 3) | >5% |
| Tamarind Limited | >5% |
| Försäkringsaktiebolaget, Avanza Pension | >5% |

1. Ceranco Equity S.C.S is an investment company 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 2024 has not been audited or reviewed by the Company's independent auditors. The Annual Report 2023 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 2024: 27 March 2025

Annual Report 2024: 29 May 2025

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 2024 presents a fair view of the financial position of the Company at 30 September 2024 as well as of the results of the Group operations and cash flows for the periods 1 July – 30 September 2024 and 1 January – 30 September 2024.

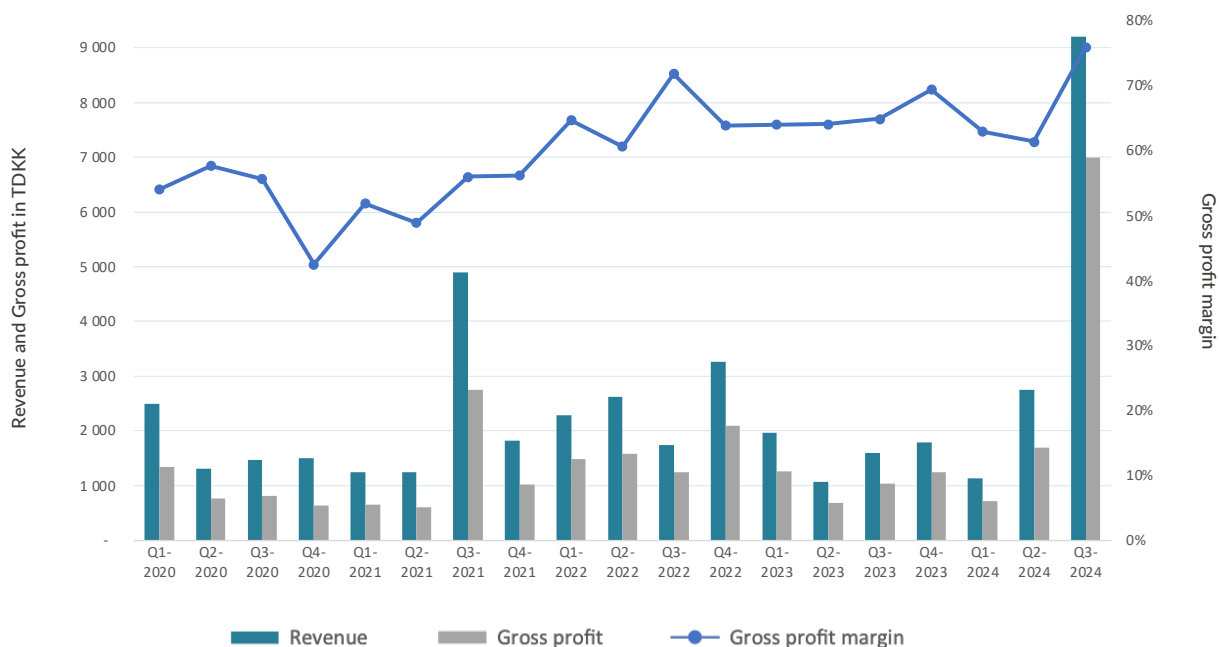
Helsingborg, 28 November 2024
Realfiction Holding AB
Board of Directors and CEO

FINANCIAL HIGHLIGHTS AND KEY RATIOS

Selected Financial Highlights and Key Ratios – Group

| SEK '000 | Q3-2024 | Q3-2023 | Q1-Q3 2024 | Q1-Q3 2023 | Q1-Q4-2023 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
| | 01-07-2024 -30-09-2024 3 months | 01-07-2023 -30-09-2023 3 months | 01-01-2024 -30-09-2024 9 months | 01-01-2023 -30-09-2023 9 months | 01-01-2023 -31-12-2023 12 months |
| Net revenue | 9,835 | 2,539 | 14,046 | 7,131 | 9,923 |
| Gross profit | 8,074 | 1,647 | 10,657 | 4,587 | 6,525 |
| Result after financial items | -340 | -1,529 | -16,971 | -5,812 | -8,120 |
| Total Assets | 92,651 | 92,467 | 92,651 | 92,467 | 89,491 |
| Cash flow from operating activities | -4,082 | -243 | -15,585 | -5,489 | -2,295 |
| Cash and bank | 14,273 | 14,352 | 14,273 | 14,352 | 12,523 |
| Equity | 51,724 | 69,979 | 51,724 | 69,979 | 67,471 |
| Solvency ratio (%) | 55.8 | 75.7 | 55.8 | 75.7 | 75.4 |
| Average number of employees | 13 | 15 | 13 | 14 | 14 |
| Gross profit margin (%) | 82.1 | 64.9 | 75.9 | 64.3 | 65.8 |
| Earnings per share (SEK) | -0.02 | -0.08 | -0.86 | -0.29 | -0.31 |
| Average number of shares outstanding | 19,776,447 | 19,762,847 | 19,775,951 | 19,762,847 | 19,762,847 |
| Average number of shares outstanding, including dilutive effect of outstanding warrants | 20,584,378 | 20,584,378 | 20,583,882 | 20,547,711 | 20,556,878 |
| Number of shares at the end of the period | 19,776,447 | 19,762,847 | 19,776,447 | 19,762,847 | 19,762,847 |

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 | Q3-2024 | Q3-2023 | Q1-Q3 2024 | Q1-Q3 2023 | Q1-Q4-2023 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
| | 01-07-2024 -30-09-2024 3 months | 01-07-2023 -30-09-2023 3 months | 01-01-2024 -30-09-2024 9 months | 01-01-2023 -30-09-2023 9 months | 01-01-2023 -31-12-2023 12 months |
| Net revenue | 9,835 | 2,539 | 14,046 | 7,131 | 9,923 |
| Cost of goods sold | -1,761 | -892 | -3,389 | -2,544 | -3,398 |
| Gross profit | 8,074 | 1,647 | 10,657 | 4,587 | 6,525 |
| Capitalized own work performed | 0 | 2,450 | 0 | 7,380 | 9,601 |
| Other external costs | -1,649 | -916 | -6,356 | -3,490 | -4,836 |
| Personnel costs | -4,167 | -4,616 | -13,782 | -13,925 | -18,908 |
| Depreciation of tangible and intangible assets | -1,843 | -151 | -5,511 | -474 | -627 |
| Other income and expenses | 284 | 44 | 759 | 161 | 248 |
| Operating result | 699 | -1,542 | -14,233 | -5,761 | -7,997 |
| Other financial income | 118 | 117 | 361 | 311 | 392 |
| Other financial costs | -1,157 | -104 | -3,099 | -362 | -515 |
| Result after financial items | -340 | -1,529 | -16,971 | -5,812 | -8,120 |
| Tax on the profit of the period | -42 | 0 | -126 | 0 | 2,021 |
| Net result for the period | -382 | -1,529 | -17,097 | -5,812 | -6,099 |

Balance Sheet (condensed) - Group

| SEK '000 | 30-09-2024 | 30-09-2023 | 31-12-2023 |
|--|---------------|---------------|---------------|
| Assets | | | |
| Non-current assets | | | |
| Development costs | 60,721 | 62,190 | 64,481 |
| Licenses | 2,543 | 1,987 | 2,160 |
| Total intangible assets | 63,264 | 64,177 | 66,641 |
| Fixtures, tools and installations | 312 | 787 | 657 |
| Total tangible assets | 312 | 787 | 657 |
| Other long-term receivables | 386 | 2,623 | 377 |
| Total financial assets | 386 | 2,623 | 377 |
| TOTAL NON-CURRENT ASSETS | 63,962 | 67,587 | 67,675 |
| Current assets | | | |
| Finished products and goods for sale | 1,770 | 4,425 | 3,589 |
| Total inventories | 1,770 | 4,425 | 3,589 |
| Trade receivables | 7,839 | 367 | 100 |
| Current tax receivables | 3,287 | 3,910 | 3,229 |
| Other receivables | 1,151 | 1,287 | 1,887 |
| Prepaid expenses | 307 | 539 | 488 |
| Total short-term receivables | 12,584 | 6,103 | 5,704 |
| Cash and bank | 14,335 | 14,352 | 12,523 |
| TOTAL CURRENT ASSETS | 28,689 | 24,880 | 21,816 |
| TOTAL ASSETS | 92,651 | 92,467 | 89,491 |
| Liabilities and Equity | | | |
| Equity | | | |
| Share capital | 1,978 | 1,976 | 1,976 |
| Other reserves incl. retained earnings | 49,746 | 68,003 | 65,495 |
| TOTAL EQUITY | 51,724 | 69,979 | 67,471 |
| Deferred tax liability | 4,345 | 5,319 | 4,268 |
| Total provisions | 4,345 | 5,319 | 4,268 |
| Liabilities to credit institutions | 0 | 1,483 | 1,291 |
| Other liabilities | 900 | 872 | 875 |
| Prepaid income | 7,772 | 7,430 | 8,252 |
| Total long-term liabilities | 8,672 | 9,785 | 10,418 |
| Liabilities to credit institutions | 21,280 | 1,857 | 1,577 |
| Accounts payable and accrued costs | 2,870 | 2,326 | 2,642 |
| Prepaid income | 1,453 | 198 | 171 |
| Other liabilities | 2,307 | 3,003 | 2,944 |
| Total short-term liabilities | 27,910 | 7,384 | 7,334 |
| TOTAL LIABILITIES | 36,582 | 17,169 | 17,752 |
| TOTAL LIABILITIES AND EQUITY | 92,651 | 92,467 | 89,491 |

Cash Flow Statement (condensed) - Group

| SEK '000 | Q3-2024 01-07-2024 -30-09-2024 3 months | Q3-2023 01-07-2023 -30-09-2023 3 months | Q1-Q3 2024 01-01-2024 -30-09-2024 9 months | Q1-Q3 2023 01-01-2023 -30-09-2023 9 months | Q1-Q4-2023 01-01-2023 -31-12-2023 12 months |
|--|--|--|---|---|--|
| Operating result | 699 | -1,542 | -14,233 | -5,761 | -7,997 |
| Depreciation | 1,843 | 151 | 5,511 | 474 | 627 |
| Non-cash warrant program | 59 | 126 | 303 | 266 | 389 |
| Paid financial items | -762 | 14 | -1,339 | -50 | -123 |
| Tax payments | -42 | 0 | -125 | 0 | 3,957 |
| Cash flow from operating activities before changes in operating capital | 1,797 | -1,251 | -9,883 | -5,071 | -3,147 |
| Operating activities | | | | | |
| Change in inventories | 960 | 629 | 1,900 | 822 | 1,513 |
| Change in short term receivables | -7,327 | -46 | -8,353 | -153 | 607 |
| Change in short term liabilities | 488 | 425 | 751 | -1,087 | -1,268 |
| Cash flow from operating activities | -4,082 | -243 | -15,585 | -5,489 | -2,295 |
| Investing activities | | | | | |
| Purchase of tangible assets | 0 | -26 | -15 | -31 | -81 |
| Sale of tangible assets | 0 | 0 | 0 | 0 | 0 |
| Proceeds from financial assets | 0 | 0 | -3 | -23 | -23 |
| Purchase of intangible assets | 0 | -4,186 | -531 | -13,282 | -18,300 |
| Cash flow from investing activities | 0 | -4,212 | -549 | -13,336 | -18,404 |
| Financing activities | | | | | |
| Loan installment (Vækstfonden) | -391 | -364 | -1,135 | -1,072 | -1,395 |
| Loan | 0 | 0 | 17,849 | 0 | 0 |
| Inno booster grant | 0 | 940 | 1,113 | 3,277 | 3,277 |
| Capital increase, net of costs | 0 | 0 | -37 | 0 | 0 |
| Cash flow from financing activities | -391 | 626 | 17,790 | 2,205 | 1,882 |
| Cash flow for the period | -4,473 | -3,829 | 1,656 | -16,620 | -18,817 |
| Cash and cash equivalents at period start | 18,775 | 18,266 | 12,523 | 30,806 | 30,806 |
| Exchange rate recalculation difference – cash and cash equivalents | 33 | -85 | 156 | 166 | 534 |
| Cash and cash equivalents at period end | 14,335 | 14,352 | 14,335 | 14,352 | 12,523 |

Statement of Changes in Equity (condensed) - Group

| SEK '000 | Q3-2024 01-07-2024 -30-09-2024 3 months | Q3-2023 01-07-2023 -30-09-2023 3 months | Q1-Q3 2024 01-01-2024 -30-09-2024 9 months | Q1-Q3 2023 01-01-2023 -30-09-2023 9 months | Q1-Q4-2023 01-01-2023 -31-12-2023 12 months |
|--------------------------------|--|--|---|---|--|
| Equity at period start | 52,309 | 72,844 | 67,471 | 73,787 | 73,787 |
| Exchange adjustments | -262 | -1,462 | 1,084 | 1,738 | -606 |
| Capital increase, net of costs | 0 | 0 | -37 | 0 | 0 |
| Warrant program | 59 | 126 | 303 | 266 | 389 |
| Net result for the period | -382 | -1,529 | -17,097 | -5,812 | -6,099 |
| Equity at period end | 51,724 | 69,979 | 51,724 | 69,979 | 67,471 |

Income Statement (condensed) – Parent company

| SEK '000 | Q3-2024 01-07-2024 -30-09-2024 3 months | Q3-2023 01-07-2023 -30-09-2023 3 months | Q1-Q3 2024 01-01-2024 -30-09-2024 9 months | Q1-Q3 2023 01-01-2023 -30-09-2023 9 months | Q1-Q4-2023 01-01-2023 -31-12-2023 12 months |
|-------------------------------------|--|--|---|---|--|
| Operating income | | | | | |
| Net revenue (group internal) | 150 | 150 | 650 | 450 | 600 |
| Operating costs | | | | | |
| External costs | -199 | -200 | -846 | -791 | -984 |
| Personnel costs | -171 | -174 | -521 | -551 | -712 |
| Operating result | -220 | -224 | -717 | -892 | -1,096 |
| Financial items | -1,037 | 59 | -2,604 | 156 | 208 |
| Result after financial items | -1,257 | -165 | -3,321 | -736 | -888 |
| Net result for the period | -1,257 | -165 | -3,321 | -736 | -888 |

Balance Sheet (condensed) – Parent company

| SEK '000 | 30-09-2024 | 30-09-2023 | 31-12-2023 |
|-------------------------------------|----------------|----------------|----------------|
| Non-current assets | | | |
| Financial assets | | | |
| Shares in subsidiary | 100,228 | 83,643 | 100,228 |
| Total financial assets | 100,228 | 83,643 | 100,228 |
| TOTAL NON-CURRENT ASSETS | 100,228 | 83,643 | 100,228 |
| Current assets | | | |
| Intercompany receivables | 13,615 | 13,959 | 0 |
| Other receivables | 308 | 167 | 23 |
| Prepaid expenses | 110 | 121 | 77 |
| Total short-term receivables | 14,033 | 14,247 | 100 |
| Cash and bank | 11,193 | 11,573 | 9,190 |
| TOTAL CURRENT ASSETS | 25,226 | 25,820 | 9,290 |
| TOTAL ASSETS | 125,454 | 109,463 | 109,518 |
| Liabilities and Equity | | | |
| Equity | | | |
| Share capital | 1,978 | 1,976 | 1,976 |
| Other reserves | 106,957 | 107,884 | 107,884 |
| Net result of the period | -3,321 | -736 | -888 |
| TOTAL EQUITY | 105,614 | 109,124 | 108,972 |
| Liabilities to credit institutions | 19,489 | 0 | 0 |
| Accounts payable and accrued costs | 181 | 165 | 211 |
| Other payables | 170 | 174 | 335 |
| Total short-term liabilities | 19,840 | 339 | 546 |
| TOTAL LIABILITIES | 19,840 | 339 | 546 |
| TOTAL EQUITY AND LIABILITIES | 125,454 | 109,463 | 109,518 |

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.

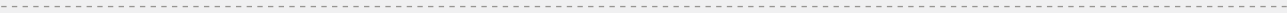
Gross profit: Net turnover after costs for goods sold.

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

"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: A Health Economy Hologram that tracks the health and wellbeing of a population in relation to the state of the economy, WHO, Manila, Philippines, October 2024.



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