

YEAR-END REPORT

1 JANUARY – 31 DECEMBER 2023

Realfiction Holding AB (publ) | 559110-4616

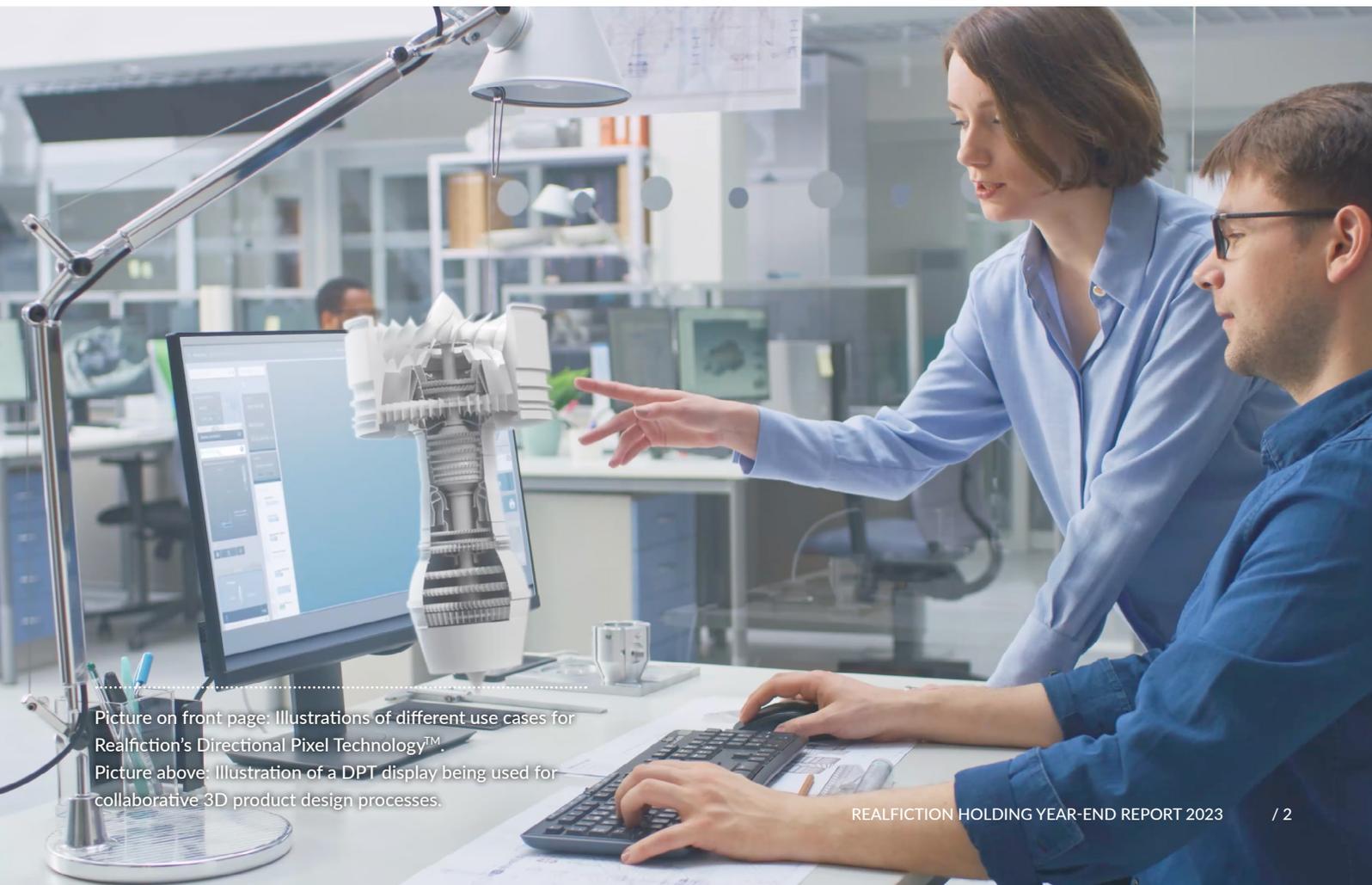
YEAR-END REPORT

Q4-2023 (01-10-2023 – 31-12-2023)

- Revenue: TSEK 2,792 (Q4-2022: TSEK 4,799)
- Gross profit: TSEK 1,938 (Q4-2022: TSEK 3,063)
- Gross profit margin: 69.4% (Q4-2022: 63.8%)
- Result after financial items: TSEK -2,308 (Q4-2022: TSEK -208)
- Earnings per share: SEK -0.01 (Q4-2022: -0.10)
- Cash flow from operating activities: TSEK 3,194 (Q4-2022: TSEK 7,053)
- Equity: TSEK 67,471 (Q4-2022: TSEK 73,787)

Q1-Q4, 2023 (01-01-2023 – 31-12-2023)

- Revenue: TSEK 9,923 (Q1-Q4 2022: TSEK 14,209)
- Gross profit: TSEK 6,525 (Q1-Q4 2022: TSEK 9,180)
- Gross profit margin: 65.8% (Q1-Q4 2022: 64.6%)
- Result after financial items: TSEK -8,120 (Q1-Q4 2022: TSEK -2,066)
- Earnings per share: SEK -0.31 (Q1-Q4, 2022: -0.07)
- Cash flow from operating activities: TSEK -2,295 (Q1-Q4 2022: TSEK 4,513)
- Equity: TSEK 67,471 (Q1-Q4 2022: TSEK 73,787)



Picture on front page: Illustrations of different use cases for Realfiction's Directional Pixel Technology™.

Picture above: Illustration of a DPT display being used for collaborative 3D product design processes.

SIGNIFICANT EVENTS DURING Q4-2023

- On November 16, Realfiction was pleased to invite its shareholders to the first ever public showcase of its Directional Pixel Technology™ (DPT) 3D holographic display technology at the Company's office in Copenhagen in December. This will be a unique opportunity to be one of the first to experience Realfiction's groundbreaking directional pixel technology with your own eyes. Three demonstrations will be shown: a 17-inch multiview LCD display demo, a 17-inch 3D multiuser LCD display demo and a 2-inch proof-of-concept HybridScan MicroLED display previously demonstrated at Display Week.
- On November 29, Realfiction announced that it will demonstrate four versions of its groundbreaking Directional Pixel Technology™, enabling home cinema-sized glasses-free 3D displays for up to 5 persons (10 views) at the same time with 4K resolution, during the Consumer Electronics Show (CES) in Las Vegas in January 2024. In addition to the three versions to be demonstrated in Denmark in December, the Company will also for the first time demonstrate a small segment of a 65-inch OLED 3D Multiuser display (scalable to large TV sizes/home cinema). All technologies are ready for licensing, and Realfiction is currently pursuing commercial licensing deals and/or collaborations to enable mass manufacturing.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On February 5, Realfiction announced that the Company has entered into a loan agreement of up to SEK 35 million with Formue Nord Fokus A/S and extends its financial runway until 31 August 2025. The first tranche of SEK 20 million is paid out upon signing of the loan agreement, and the second tranche, SEK 15 million, can be drawn between August and November 2024, at Realfiction's discretion under the condition that Realfiction's market capitalization exceeds SEK 350 million at the time. The loan matures for payment on 31 August 2025. The loan is subject to a set-up fee of 5 percent of the loan facility and carries an annual interest rate of STIBOR 3M + 11 percent of the outstanding loan amount and will be paid at the end of each calendar quarter.

CEO COMMENTS

STRONG DPT LICENSING FOCUS

In the fourth quarter of 2023, we had a strong focus on conducting and preparing for demonstrations and meetings with potential commercial partners for our groundbreaking Directional Pixel Technology™ display technology, which is now ready for licensing to relevant parties.

This was time well spent, as we were able to hold 38 meetings during the Consumer Electronics Show (CES) week in Las Vegas in January 2024, with a strong overall interest shown from various display-related industries. In some ways, it was a bit like a dream coming true to broadly showcase the display technology we have envisioned for so many years to prominent people in the display industry in a CES Las Vegas setting.

The meetings also further highlighted the broad appeal of our DPT platform, as it covers social 2D and 3D, as well as important display-related safety features for the automotive industry, while being possible to implement in LCD, OLED and microLED displays from tablet sizes up to large TV sizes and beyond. We consider this as a key strength of our platform, as we are positioning Realfiction as a world-class IP supplier in the display field rather than becoming a product developer and manufacturer ourselves. It is however important for us to primarily focus on the most promising licensing and/or collaboration opportunities from a shareholder value perspective, while keeping many doors open for the future. Our website is currently being updated to better present the broad opportunities that DPT offers, which will facilitate our digital outreach to potential partners.

“With a world-class IP portfolio ready to be licensed to commercial partners, several ongoing discussions with such potential partners, and financing secured into 2025, we are in an excellent position to take the company into the next part of our commercialization phase, were we start to see an inflow of license-based revenue.”

Since the CES week, we have held more presentations for companies that were unable to meet us during that particular week. A number of follow-up meetings have also been conducted for further evaluation of our DPT platform and commercial terms. Based on these ongoing discussions, we are definitely on track towards signing license deals that will enable our technology to be implemented in future products, and this is our top priority going forward.

PROGRESS IN THE EXPANSION OF OUR DPT IP PORTFOLIO

As we aim to create robust and long-term revenue streams from licensing our DPT IP to commercial partners, it is of great importance to constantly improve and expand our patent portfolio. It is thus satisfying to see strong progress in this area. In Q4, one DPT patent was issued, and two patents have been issued so far in 2024. We expect to file more patent applications in 2024 as we refine different aspects of our technology platform, as well as to receive more patent grants for previous filings.

LOWER Q4 REVENUE DUE TO OUR LICENSING FOCUS

In Q4-2023, the revenue from sales and services related to our Mixed Reality displays was higher compared to the previous quarter, but substantially lower than in the same period last year. This was expected even though Q4 is usually a strong quarter, as on the other hand it is natural to see an overall decline in revenue from this business as we have a strong focus on securing licensing agreements for our DPT platform. We are confident that this is a wise allocation of our resources, considering that DPT licensing has the potential to create much stronger cash flows compared to our Mixed Reality display related business.

NON-DILUTIVE FINANCING LASTING THROUGH 2024 AND BEYOND

The strong support received from our shareholders was of crucial importance for our successful DPT development, and we were delighted to finally be able to demonstrate this innovative technology platform to some of them at our office in Copenhagen, Denmark in December. We had to expand this event to make sure that everyone interested could join, and it was obvious that many participants were quite happy with what they experienced.

It was also with our shareholders' best interest in mind that we secured a loan of 20 MSEK that was received in cash in February 2024. This non-dilutive financing provides us with enough cash to extend our runway throughout 2024, and we have an additional lending opportunity in a second tranche of the loan facility of 15 MSEK. Our current plans, however, do not envision drawing down the second tranche of the loan. In 2024, we aim to enter into licensing agreements for our

intellectual property, thereby generating cash inflows that will allow us to minimize our financing costs. Nevertheless, maintaining access to this second tranche enhances our leverage, providing us with the flexibility to negotiate the most favorable terms for Realfiction and to best serve our shareholders' interests. We also completed the Innovation Fund Denmark development project, with the final grant of TDKK 740 received shortly after year-end.

With a world-class IP portfolio ready to be licensed to commercial partners, several ongoing discussions with such potential partners, and financing secured into 2025, we are in an excellent position to take the company into the next part of our commercialization phase, where we start to see an inflow of license-based revenue. I could not be more excited to be a part of this fantastic company, and I really look forward to the day when DPT-enabled display products can be put into the hands of people all over the world, giving rise to much more of the smiles we saw during our CES meetings.



Clas Dyrholm
CEO, Realfiction Holding AB



REALFICTION'S BUSINESS AND CONCEPT

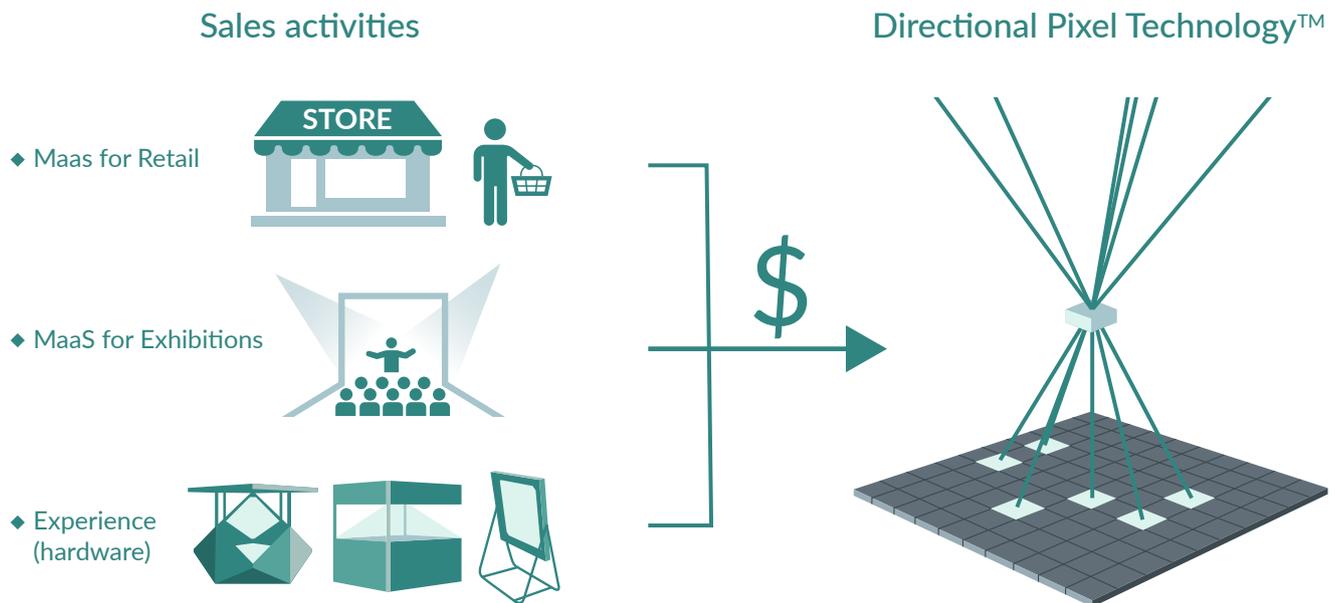
LEADING MIXED REALITY PRODUCTS

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.

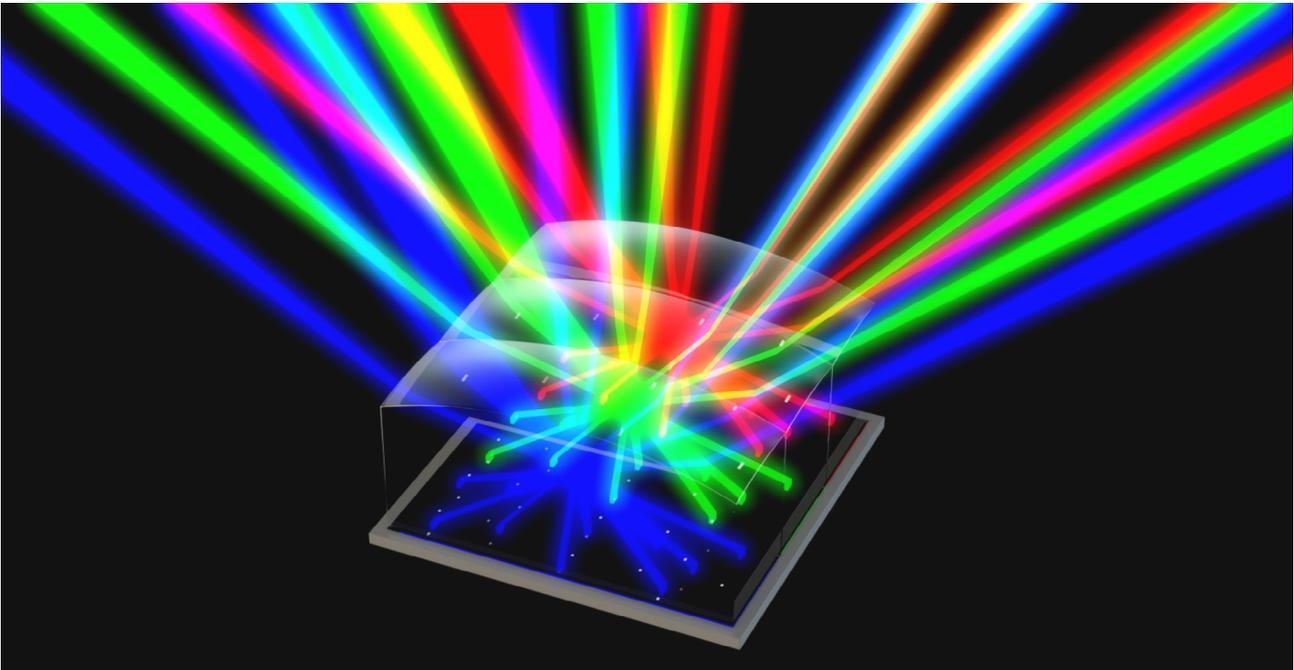
DPT – A GROUNDBREAKING NEXT-GENERATION DISPLAY TECHNOLOGY

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.

2019-2022 DPT DEVELOPMENT PHASE

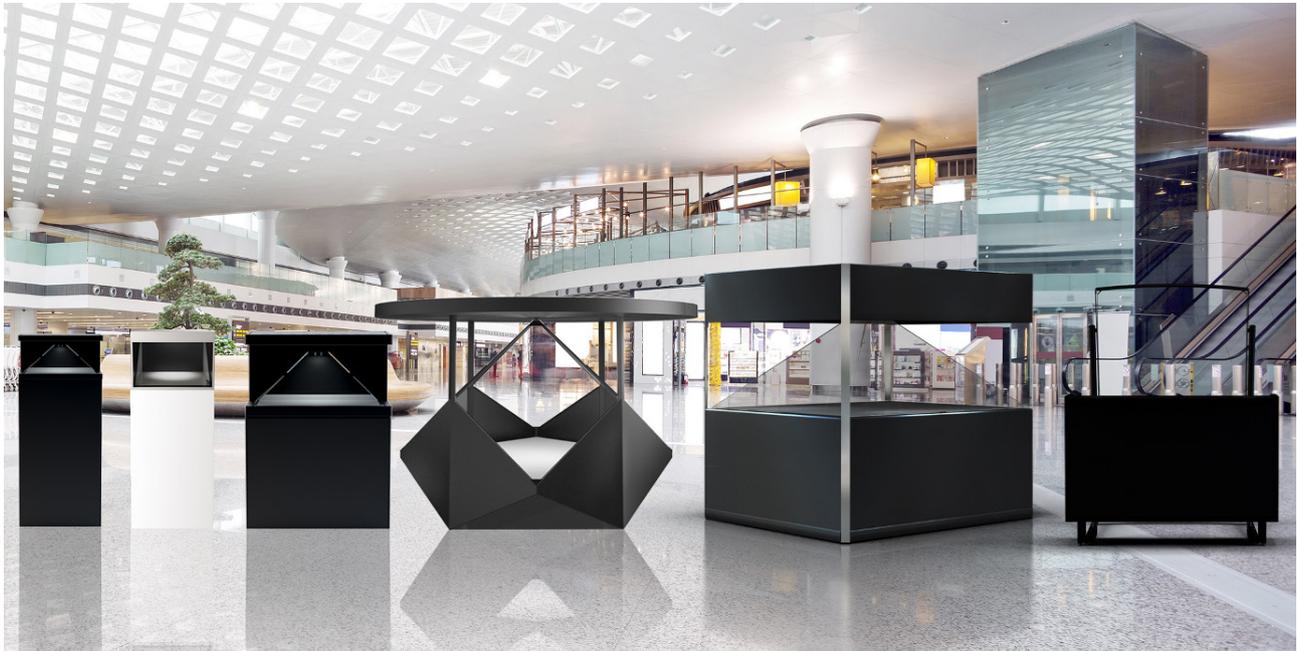
- In 2019, the company presented DPT (previously named ECHO) and completed a proof of concept for the technology.
- In 2020, a beta version of an LCD DPT display was created. This was followed by an ambitious development program with several international partners, including Fraunhofer FEP and imec, 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

DEVELOPMENT IN 2023

Income Statement in Q4-2023

Group net revenue amounts to TSEK 2,792 for Q4-2023, representing a decrease of 42% from Q4-2022 of TSEK 4,799. Revenue in Q4-2023 includes sales from our Magic-as-a-Service concept of TSEK 323 compared to TSEK 1,526 in Q4-2022. Adjusted for currency conversion effects, the Company's revenue in Q4-2023 decreased by 28% to TDKK 1,792 compared to the average quarterly revenue in 2022 of TDKK 2,477.

Cost of goods sold amounts to TSEK 854 for Q4-2023, compared to TSEK 1,736 for Q4-2022. Thus, our gross profit in Q4-2023 decreased to TSEK 1,938 from TSEK 3,063 in Q4-2022. This resulted in increased gross profit margin in Q4-2023 of 69.4% compared to 63.8% in Q3-2022. The increase was caused by a different sales mix.

In Q4-2023 the Company has continued to capitalize development expenditure relating to the Directional Pixel Technology™ that fulfils the requirements of the capitalization accounting principle. As such, the Q4-2023 Income Statement includes income from the capitalization of own work performed of TSEK 2,221 compared to TSEK 2,242 in Q4-2022 from the capitalization of salaries and internal expenses relating to the Directional Pixel Technology™.

Other external costs increased to TSEK 1,346 in Q4-2023 from TSEK 1,077 in Q4-2022. The increase is primarily due to execution of the Directional Pixel Technology™ go-to market strategy with increased travel, selling and marketing expenses.

Cash-based personnel costs increased with TSEK 890 to TSEK 4,860 in Q4-2023 (TSEK 123 of the personnel cost is non-cash costs related to warrant programs) compared to TSEK 3,970 in Q4-2022. The increase is due to the addition of 2 employees in Q4-2023 compared to Q4-2022 and salary increases due to inflation.

All in all, we increased our cash-based net operating cost by TSEK 1,089 in Q4-2023 to TSEK 4,051 from TSEK 2,962 in Q4-2022 (exclusive of non-cash costs of TSEK 123 in Q4-2023 and TSEK 34 in Q4-2022 relating to warrant programs). The primary reason for this is the execution of the Directional Pixel Technology™ go-to market strategy with increased travel, selling and marketing expenses and salaries incurred in the commercialization process.

Group net financial costs consist of interest on the loan with Vækstfonden, while other financial income include interest from bank deposits .

Income Statement in Q1-Q4 2023

Group net revenue amounts to TSEK 9,923 for Q1-Q4 2023, representing a decline of 30% from Q1-Q4 2022 of TSEK 14,209. Revenue in Q1-Q4 2023 includes sales from our Magic-as-a-Service concept of TSEK 1,411 compared to TSEK 3,143 in Q1-Q4 2022.

Cost of goods sold amounts to TSEK 3,398 for Q1-Q4 2023, compared to TSEK 5,029 for Q1-Q4 2022. Thus, our gross profit in Q1-Q4 2023 decreased to TSEK 6,525 from TSEK 9,180 in Q1-Q4 2022. This resulted in marginally increased gross profit margin in Q1-Q4 2023 of 65.8% compared to 64.6% in Q1-Q4 2022. This increase was achieved due to a different sales mix.

Other income was significantly reduced from TSEK 787 in Q1-Q4 2022 to TSEK 248 in Q1-Q4 2023 as Q1-Q4 2022 income included receipt of COVID-19 compensation from the Danish authorities.

Q1-Q4 2023 Income Statement includes income from the capitalization of own work performed of TSEK 9,601 compared to TSEK 7,096 in Q1-Q4 2022 from the capitalization of salaries and internal expenses relating to the Directional Pixel Technology™.

Other external costs increased to TSEK 4,836 in Q1-Q4 2023 from TSEK 3,796 in Q1-Q4 2022. The increase is primarily due to execution of the Directional Pixel Technology™ go-to market strategy with increased travel, selling and marketing expenses.

Cash-based personnel costs increased with TSEK 4,613 to TSEK 18,533 in Q1-Q4 2023 (TSEK 375 of the personnel cost is non-cash costs related to warrant programs) compared to TSEK 13,920 in Q1-Q4 2022. The increase is due to the addition of 3 employees in Q1-Q4 2023 compared to Q1-Q4 2022 and salary increases due to inflation.

All in all, we increased our cash-based net operating cost by TSEK 3,514 in Q1-Q4 2023 to TSEK 14,147 from TSEK 10,633 in Q1-Q4 2022 (exclusive of non-cash costs of TSEK 375 in Q1-Q4 2023 and TSEK 132 i Q1-Q4 2022 relating to warrant programs). The primary reason for this is the decline in other income and the execution of the Directional Pixel Technology™ go-to market strategy with increased travel, selling and marketing expenses and salaries incurred in the commercialization process.

Group net financial costs consist of interest on the loan with Vækstfonden, while other financial income include interest from bank deposits .

Balance Sheet

Realfiction's total assets at 31 December 2023 amount to TSEK 89,491 compared to TSEK 92,328 at 31 December 2022.

Investments

In Q4-2023, the Company has capitalized additional development expenditure and licence fees of TSEK 5,018 (TSEK 5,805 in Q4-2022), relating to the Company's Directional Pixel 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

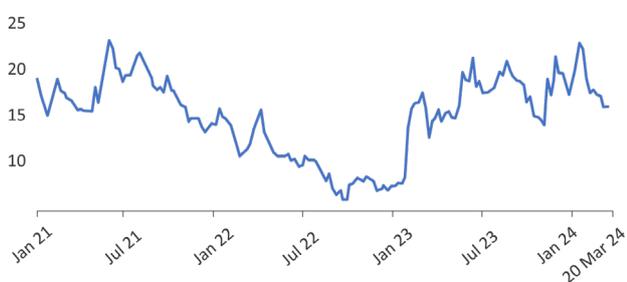
Realfiction's liquidity at 31 December 2023 amounts to TSEK 12,523 compared to TSEK 30,806 at 31 December 2022. Cash flow from operating activities for Q4-2023 was positive TSEK 3,194 compared to TSEK 7,053 for Q4-2022. The primary reason for lower operating cash flows is a decline in revenue and increased cost for execution of the Directional Pixel Technology™ go-to market strategy.

In February 2024, the Company entered into a loan agreement of up to SEK 35 million to extend the Company's financial runway until 31 August 2025. Of this, a first tranche of SEK 20 million was received in February 2024, and a second tranche of SEK 15 million can be drawn between August and November 2024 at the Company's discretion under the condition that the Company's market capitalization exceeds SEK 350 million at the time. With the cash received in February, the Company expects to have the liquidity necessary to sustain all its business operations, including the execution of its go-to-market strategy for its Directional Pixel Technology™ into 2025. Realfiction also has the right to repay the loan at any time without any early repayment fee when new licensing 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 31 December 2023, the number of shares in Realfiction Holding AB amounts to 19,762,847. The Company has one share class. All shares have equal dividend rights.

Share price development in 01/01/2021 - 20/03/2024 (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 2022 Annual Report.

OWNERSHIP STRUCTURE

The table below shows key shareholders in Realfiction Holding AB at 31 December 2023 inclusive of fully paid but not yet registred/issued share issues.

Name	Number of shares	Ownership (in %)
Ceranco Equity S.C.S ¹⁾	3,194,447	16.16
CLAPE HOLDING ApS ²⁾	3,005,000	15.21
AmTRAN Technology Co. LTD ³⁾	1,862,716	9.43
Tamarind Limited ¹⁾	1,599,461	8.09
Försäkringsaktiebolaget, Avanza Pension	1,156,763	5.85
Other shareholders (more than 3,200)	8,944,460	45.26
Total	19,762,847	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 Year-end Report 2023 has not been audited or reviewed by the Company's independent auditors.

The Annual Report 2022 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 2023:	7 May 2024
Q1 Interim Report 2024	30 May 2024
Annual General Meeting 2024:	24 June 2024
Q2 Interim Report 2024:	29 August 2024
Q3 Interim Report 2024:	28 November 2024
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 Year-End Report 2023 presents a fair view of the financial position of the Company at 31 December 2023 as well as of the results of the Group operations and cash flows for the periods 1 October – 31 December 2023 and 1 January – 31 December 2023.

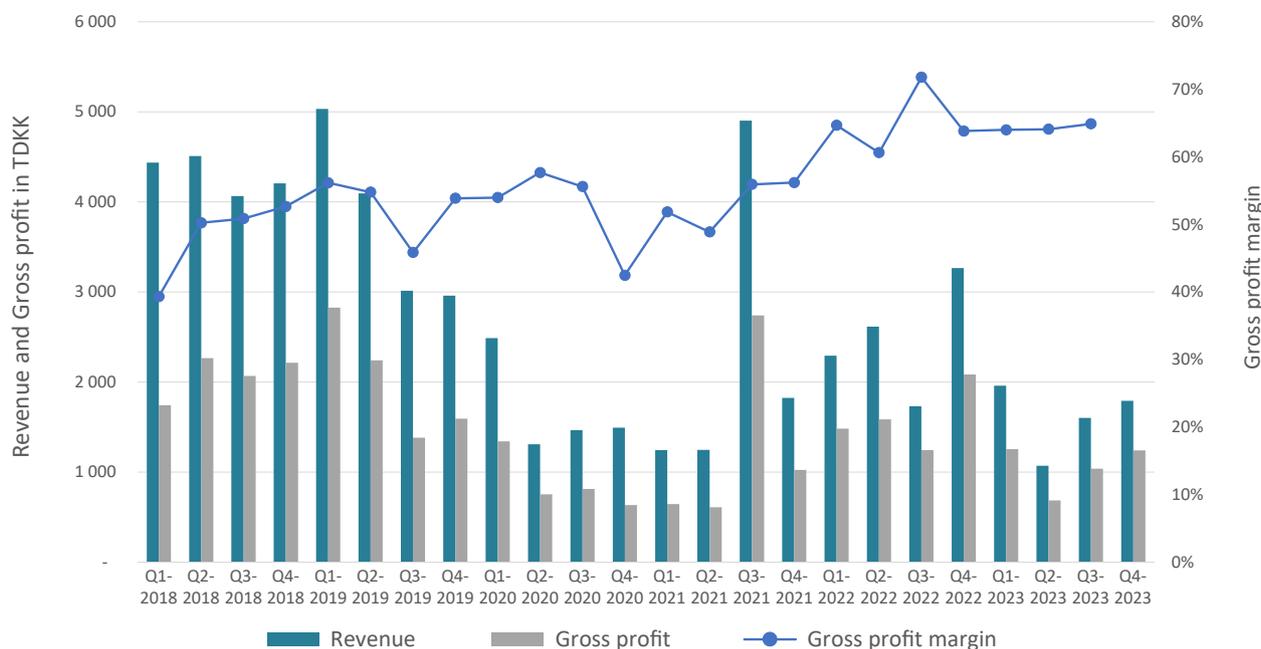
Helsingborg, 21 March 2024
Realfiction Holding AB
Board of Directors and CEO

FINANCIAL HIGHLIGHTS AND KEY RATIOS

Selected Financial Highlights and Key Ratios – Group

SEK '000	Q4-2023	Q4-2022	Q1-Q4 2023	Q1-Q4 2022
	01-10-2023 -31-12-2023 3 months	01-10-2022 -31-12-2022 3 months	01-01-2023 -31-12-2023 12 months	01-01-2022 -31-12-2022 12 months
Net revenue	2,792	4,799	9,923	14,209
Gross profit	1,938	3,063	6,525	9,180
Result after financial items	-2,308	-208	-8,120	-2,066
Total Assets	89,491	92,328	89,491	92,328
Cash flow from operating activities	3,194	7,053	-2,295	4,513
Cash and bank	12,523	30,806	12,523	30,806
Equity	67,471	73,787	67,471	73,787
Solvency ratio (%)	75.4	79.9	75.4	79.9
Average number of employees	15	13	14	11
Gross profit margin (%)	69.4	63.8	65.8	64.6
Earnings per share (SEK)	-0.01	-0.10	-0.31	-0.07
Average number of shares	19,762,847	19,751,977	19,762,847	19,740,483
Number of shares at the end of the period	19,762,847	19,762,847	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	Q4-2023	Q4-2022	Q1-Q4 2023	Q1-Q4 2022
	01-10-2023 -31-12-2023 3 months	01-10-2022 -31-12-2022 3 months	01-01-2023 -31-12-2023 12 months	01-01-2022 -31-12-2022 12 months
Net revenue	2,792	4,799	9,923	14,209
Cost of goods sold	-854	-1,736	-3,398	-5,029
Gross profit	1,938	3,063	6,525	9,180
Capitalized own work performed	2,221	2,242	9,601	7,096
Other external costs	-1,346	-1,077	-4,836	-3,796
Personnel costs	-4,983	-4,004	-18,908	-14,052
Depreciation of tangible fixed assets	-153	-214	-627	-800
Other income and expenses	87	57	248	787
Operating result	-2,236	67	-7,997	-1,585
Other financial income	81	10	392	156
Other financial costs	-153	-285	-515	-637
Result after financial items	-2,308	-208	-8,120	-2,066
Tax on the profit of the period	2,021	-1,685	2,021	678
Net result for the period	-287	-1,893	-6,099	-1,388

Balance Sheet (condensed) - Group

SEK '000	31-12-2023	31-12-2022
Assets		
Non-current assets		
Development costs	64,481	48,576
Licenses	2,160	594
Total intangible assets	66,641	49,170
Fixtures, tools and installations	657	1,192
Total tangible assets	657	1,192
Other long-term receivables	377	356
Total financial assets	377	356
TOTAL NON-CURRENT ASSETS	67,675	50,718
Current assets		
Finished products and goods for sale	3,589	5,063
Total inventories	3,589	5,063
Trade receivables	100	363
Current tax receivables	3,229	3,781
Other receivables	1,887	1,181
Prepaid expenses	488	416
Total short-term receivables	5,704	5,741
Cash and bank	12,523	30,806
TOTAL CURRENT ASSETS	21,816	41,610
TOTAL ASSETS	89,491	92,328
Liabilities and Equity		
Equity		
Share capital	1,976	1,976
Other reserves incl. retained earnings	65,495	71,811
TOTAL EQUITY	67,471	73,787
Deferred tax liability	4,268	2,985
Total provisions	4,268	2,985
Liabilities to credit institutions	1,291	2,851
Other liabilities	875	844
Prepaid income	8,252	3,996
Total long-term liabilities	10,418	7,691
Liabilities to credit institutions	1,577	1,419
Accounts payable and accrued costs	2,642	3,568
Prepaid income	171	263
Other liabilities	2,944	2,615
Total short-term liabilities	7,334	7,865
TOTAL LIABILITIES	17,752	15,556
TOTAL LIABILITIES AND EQUITY	89,491	92,328

Cash Flow Statement (condensed) – Group

SEK '000	Q4-2023	Q4-2022	Q1-Q4 2023	Q1-Q4 2022
	01-10-2023 -31-12-2023 3 months	01-10-2022 -31-12-2022 3 months	01-01-2023 -31-12-2023 12 months	01-01-2022 -31-12-2022 12 months
Operating result	-2,236	67	-7,997	-1,585
Depreciation	153	214	627	800
Non-cash warrant program	123	34	389	132
Paid financial items	-73	-261	-123	-466
Tax payments	3,957	3,915	3,957	3,915
Cash flow from operating activities before changes in operating capital	1,924	3,969	-3,147	2,796
Operating activities				
Change in inventories	691	81	1,513	174
Change in short term receivables	760	922	607	357
Change in short term liabilities	-181	2,081	-1,268	1,186
Cash flow from operating activities	3,194	7,053	-2,295	4,513
Investing activities				
Purchase of tangible assets	-50	-194	-81	-1,276
Sale of tangible assets	0	4	0	4
Proceeds from financial assets	0	0	-23	-20
Purchase of intangible assets	-5,018	-5,805	-18,300	-16,426
Cash flow from investing activities	-5,068	-5,995	-18,404	-17,718
Financing activities				
Loan installment (Vækstfonden)	-323	0	-1,395	0
Inno booster grant	0	1,245	3,277	2,996
Capital increase, net of costs	0	22	0	9
Cash flow from financing activities	-323	1,267	1,882	3,005
Cash flow for the period	-2,197	2,325	-18,817	-10,200
Cash and cash equivalents at period start	14,352	28,516	30,806	40,850
Exchange rate recalculation difference – cash and cash equivalents	368	-35	534	156
Cash and cash equivalents at period end	12,523	30,806	12,523	30,806

Statement of Changes in Equity (condensed) - Group

SEK '000	Q4-2023	Q4-2022	Q1-Q4 2023	Q1-Q4 2022
	01-10-2023 -31-12-2023 3 months	01-10-2022 -31-12-2022 3 months	01-01-2023 -31-12-2023 12 months	01-01-2022 -31-12-2022 12 months
Equity at period start	69,979	74,603	73,787	71,486
Exchange adjustments	-2,344	1,021	-606	3,548
Capital increase, net of costs	0	22	0	9
Warrant program	123	34	389	132
Net result for the period	-287	-1,893	-6,099	-1,388
Equity at period end	67,471	73,787	67,471	73,787

Income Statement (condensed) – Parent company

SEK '000	Q4-2023	Q4-2022	Q1-Q4 2023	Q1-Q4 2022
	01-10-2023 -31-12-2023 3 months	01-10-2022 -31-12-2022 3 months	01-01-2023 -31-12-2023 12 months	01-01-2022 -31-12-2022 12 months
Operating income				
Net revenue (group internal)	150	150	600	600
Operating costs				
External costs	-193	-229	-984	-1,024
Personnel costs	-161	-172	-712	-676
Operating result	-204	-251	-1,096	-1,100
Financial items	52	1	208	18
Result after financial items	-152	-250	-888	-1,082
Net result for the period	-152	-250	-888	-1,082

Balance Sheet (condensed) – Parent company

SEK '000	31-12-2023	31-12-2022
Non-current assets		
Financial assets		
Shares in subsidiary	100,228	83,643
Total financial assets	100,228	83,643
TOTAL NON-CURRENT ASSETS	100,228	83,643
Current assets		
Intercompany receivables		
Other receivables	23	28
Prepaid expenses	77	74
Total short-term receivables	100	102
Cash and bank	9,190	26,021
TOTAL CURRENT ASSETS	9,290	26,123
TOTAL ASSETS	109,518	109,766
Liabilities and Equity		
Equity		
Share capital	1,976	1,976
Other reserves	107,884	108,326
Net result of the period	-888	-1,082
TOTAL EQUITY	108,972	109,220
Trade payables	211	210
Other payables	335	336
Total short-term liabilities	546	546
TOTAL LIABILITIES	546	546
TOTAL EQUITY AND LIABILITIES	109,518	109,766

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 installed as part of a permanent exhibition at Camp Nou, Barcelona, 2024.



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