

# ANNUAL REPORT 2022

EXTRACT OF THE OFFICIAL FINANCIAL  
STATEMENTS IN SWEDISH

Realfiction Holding AB  
559110-4616



REALFICTION™

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# SUMMARY OF THE YEAR

Total revenue amounted to 14.2 MSEK (2021: 12.6 MSEK)

Result after financial items amounted to -2.1 MSEK (2021: -4.6 MSEK)

Gross profit totaled 9.2 MSEK (2021: 6.8 MSEK)

Gross profit margin was 64.6% (2021: 54.5%)

Earnings per share was -0.07 SEK (2021: -0.05 SEK)

The solvency ratio was 79.9% at the end of the year (2021: 87.2%)

Cash flow from operating activities amounted to 4.5 MSEK (2021: 0 MSEK)

Equity was 73.8 MSEK (2021: 71.5 MSEK)



Picture on front page: AI generated image based on simple text input. “Man speaking with AI avatar through a 3D holographic display” @ Midjourney, March 2023.

Picture above: DeepFrame showing full-size holographic passenger drones on Wall Street, NYC during IPO event for the Brazilian company Eve, May 2022. [Video can be found here.](#)



## CEO COMMENTS

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For a long time we have been confident that we will be able to realise the vision on which the company was built: to bring science fiction-like holographic 3D experiences to life for multiple viewers without the use of glasses or any other accessories. It feels amazing that we are now able to prove this to the world.

## Major ECHO milestones achieved

During the year, we achieved several major milestones in the development of our groundbreaking, patent-pending directional pixel ECHO display technology.

In January, we signed a MoU to form a strategic alliance with the OEM LCD display manufacturer and large Realfiction shareholder AmTRAN for the development of certain LCD versions of ECHO. This collaboration added valuable industry and manufacturing expertise to our development efforts, and thus an effective and low-risk route to market for the first ECHO display.

A few months later, in April, our integration license package for ECHO was completed together with our development partners, the Fraunhofer Institute for Organic Electronics, Electron Beam and Plasma Technology FEP, Germany, and Interuniversity Microelectronics Centre, Belgium. This meant that we were ready to initiate due diligence discussions with potential partners for OLED ECHO display products, while continuing to complete the first LCD ECHO display with AmTRAN.

During the rest of the year, we continued to make gradual development progress, in Europe as well as in our subsidiary in Taiwan where we have highly skilled display technology engineers located at AmTRAN's facilities. In June, our hardware development progress unlocked the first TSEK 676 tranche from the up to MDKK 5 Innobooster grant that we have been awarded from Innovation Fund Denmark.

For a long time we have been confident that we will be able to realise the vision on which the company was built: to bring science fiction-like holographic 3D experiences to life for multiple viewers without the use of glasses or any other accessories. It feels amazing that we are now able to prove this to the world.

Soon after the end of the year, in January 2023, we were finally able to complete the first ECHO display. It is a 17-inch full-HD display, capable of showing 3D for multiple viewers or individual 2D for two simultaneous viewers. Potential commercial partners have been booked for presentations in Taiwan from the end of February 2023, with strong positive feedback, and we expect to be able to complete and present a public demonstration version of this first display later in 2023.

The size of the first ECHO display has been chosen to suit some specific use-cases, and there are no known technical limitations preventing us from making ECHO displays in larger sizes with higher resolution, as well as for more users. In fact, that is exactly what we plan to do going forward so that ECHO can be utilised also in global consumer market segments.

## Building an ECHO ecosystem including hardware, software and IP rights

We are aware of all the building blocks necessary to create a fully functioning ecosystem for our ECHO directional pixel technology. In addition to hardware, strong progress is also being made on the software side, including our Holowize 3D film conversion technology to

enable a wealth of exciting content for the whole family. Finally, we have a global patent strategy to make sure that our ECHO directional pixel technology is properly secured. This will enable us to sign collaboration or licensing agreements with commercial partners who want to include the technology in their display products. Several of our patent applications have progressed to the national phase, with the first notice of allowance received in April 2023 for a US ECHO patent related to the OLED version.

## Strong financial position supported by Exhibition and Hardware sales

In contrast to many innovative technology companies, Realfiction already has a fully functional business area based on an existing range of holographic displays developed for exhibitions, events and retail segments. This has been a real strength for us during our ECHO development, as we have gathered valuable experience and business relationships over the years that made it possible to avoid pitfalls and wrong turns. As the exhibition and event industries normalised in 2022 after the pandemic, we were also able to use this existing business to support our ECHO development financially. We became cash flow positive in Q4-2022, and our currently planned activities are fully funded into 2024, even without considering any potential ECHO licensing or commercial ECHO development-related income during 2023.

## Moving towards the market

Looking ahead, we are now going into full commercialisation mode for ECHO, with the first product getting closer to the market for every month. When ready, we will reveal the full commercialisation strategy and how we plan to reveal our invention to a broader audience.

We are also following up on the demonstrations in Taiwan with the intent of adding more commercial partners in addition to AmTRAN. The features we bring to displays; multiuser 3D, individual lookaround, individual 2D, no resolution loss, large display sizes and low cost in volume production are highly sought after. And with patented and patent pending solutions for various display technologies we are in a very favorable position going forward. As we strive to make a big impact on one of the largest industries, our aim is to create as much value for our investors as possible. We are grateful for the continued support of our investors.



**Clas Dyrholm**  
CEO, Realfiction Holding AB



Picture above: Visualization of a large format ECHO display.

# SELECTED EVENTS IN 2022

## January 2022

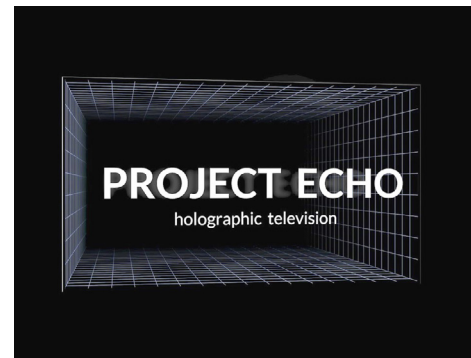
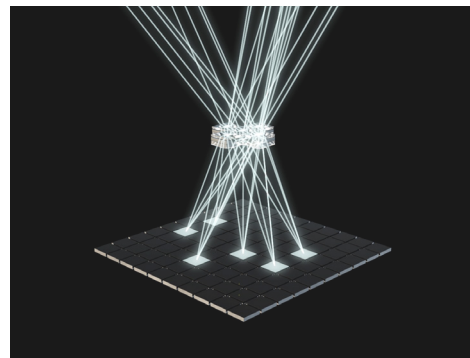


Realfiction forms a strategic alliance with the large LCD manufacturer and large Realfiction shareholder AmTRAN for specific LCD display versions of ECHO.

## April 2022



The company announces the successful completion of its integration license package for ECHO, and that a complete LCD ECHO display is expected to be completed in H1 2023.



## January 2023

Realfiction proudly announces the completion of a first version of an ECHO holographic 3D display. Private presentations for potential commercial partners and other parties of interest are held at Realfiction's facilities in Taiwan from the end of February.



Picture above: An artist's impression of an ECHO television being used for gaming.  
Video can be found [here](#).

## INNOVATION

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, but thanks to our patent pending directional pixel technology, referred to as ECHO, Realfiction is finally on the path to materialize this dream. In early 2023, the first version of an ECHO display was completed, and our main focus is now to bring the first version to the market while aiming to sign more commercial agreements, in addition to our collaboration with the LCD manufacturer AmTRAN, with potential to provide significant licensing and joint cooperation opportunities in the future.



# REALFICTION'S BUSINESS AND CONCEPT

## LEADING MIXED REALITY PRODUCTS AND SERVICES

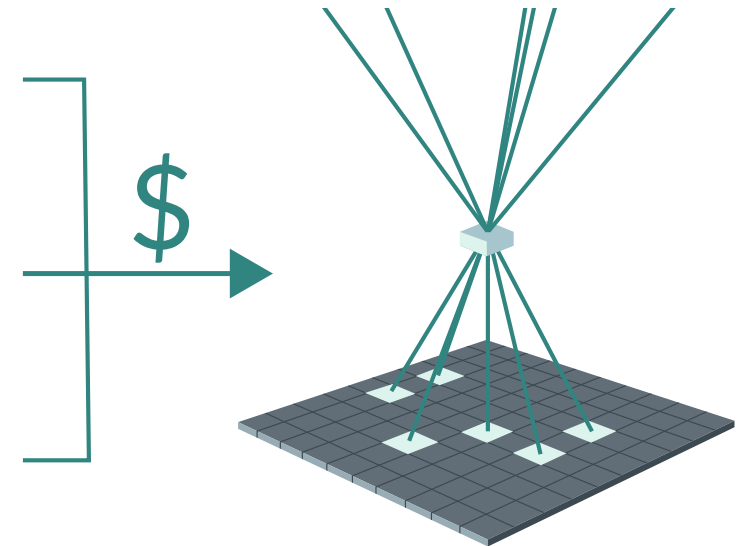
Realfiction develops, sells and rents out market leading Mixed Reality (MR) products and services based on innovative, as well as patent and design protected, hardware platforms that have been developed over more than a decade. The Company's MR displays are especially well-suited for social environments 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.

### Sales Activities



### ECHO



## 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) and hardware sales has gradually normalised in 2022 after the COVID-19 pandemic. As shown in the illustration above, the profit from these activities can contribute positively to a partial financing of Realfiction's ECHO-related activities until ECHO is profitable from licensing and/or sales revenue.*

# COMPANY DEVELOPMENT AND FUTURE

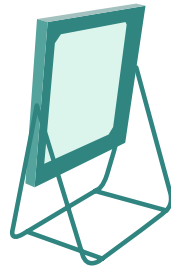
## 2008-2017 FIRST PHASE

- 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.



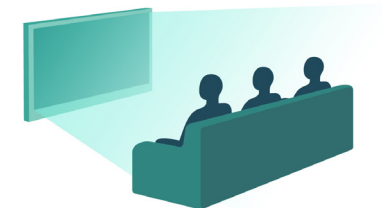
## 2020-2022 ECHO DEVELOPMENT PHASE

- 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

- The first ECHO display was completed in January 2023, and Realfiction aims to bring it to the market in 2023. The ECHO technology and the first display will be presented to a wider audience at various industry events in important geographic markets, starting in 2023. The company will also complete the OLED version of ECHO.
- 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.



# MARKET OVERVIEW AND ECHO BUSINESS OPPORTUNITIES

**Whether referred to as MR, AR, VR, Metaverse, 3D or holograms, the awareness and demand for related products and services is growing rapidly. Some say that it is the fourth wave of computing following the PC, internet and mobile.**

This growing interest and demand is expected to continue during the following years as more usable solutions are launched on the market. Currently the market is limited by the need for head-mounted displays, which in many cases, especially in multiuser scenarios, presents a barrier as usability and comfort are still major issues to be solved. ECHO presents a much needed alternative by allowing flat-screen displays we use all the time, like TV's and computer monitors, to seamlessly allow multiple users to effortlessly experience the 3D realm of "virtual reality" or "metaverse" or "3D entertainment" if you will. Therefore, Realfiction expects this to spur additional demand from customers in a wide spectrum of segments from consumers to B2B segments like medical, automotive, education, architecture, design/construction, marketing and retail.

According to Global Market Insights<sup>1</sup>, the global industry size of 3D displays is expected to record more than 25% CAGR through 2026 to an annual projected value of 60 billion USD, owing to the application of AR in the healthcare sector and demand for advanced infotainment & safety systems in vehicles. The stereoscopic display segment (which technically would include ECHO products) dominated more than 70% of the market share in 2019, and it is anticipated to witness a 27% growth rate through 2026, owing to a surge in demand from gaming, stereoscopic cinema and home entertainment applications.

Also according to Global Market Insights<sup>2</sup>, the rising popularity of semi-autonomous cars worldwide will create a favourable environment for center stack displays. Center stack displays held around 45% of the automotive display market share in 2021, led by increasing demand for advanced infotainment systems and gesture controls. Industry participants are establishing strategic partnerships with display OEMs to enhance their service offerings.

1) <https://www.gminsights.com/industry-analysis/3d-display-market>

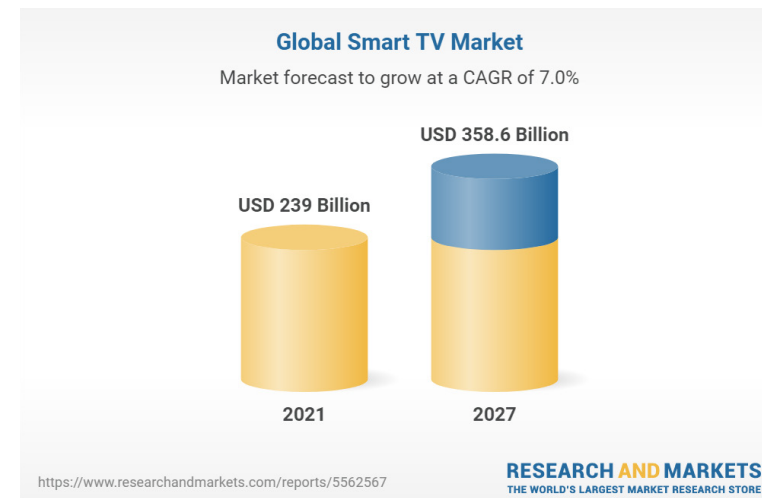
2) <https://www.gminsights.com/industry-analysis/automotive-display-market>

3) <https://www.imarcgroup.com/smart-tv-market>

## Market potential for ECHO in the large-sized television set segment

As ECHO has the potential to become an integrated part of a future iteration on flat-screen television production, Realfiction will also target the segment for large-sized television sets, defined as 48 inches and above. The focus on implementing ECHO in large television sets is due to the fact that this is the premium segment where the latest features are implemented first, and where consumers are prepared to pay a premium for these features. Additionally, the impact of immersive 3D experiences is greater when using a larger display size. Compared to other competing technologies, ECHO also has the advantage of not being limited by size or resolution constraints.

According to IMARC Group<sup>3</sup>, the global smart TV market reached a value of 239 billion USD in 2021. Looking forward, IMARC Group expects the market to reach 358.6 billion USD by 2027, exhibiting at a CAGR of 6.2% during 2022-2027.



# COMPETING TECHNOLOGIES AND COMPANIES

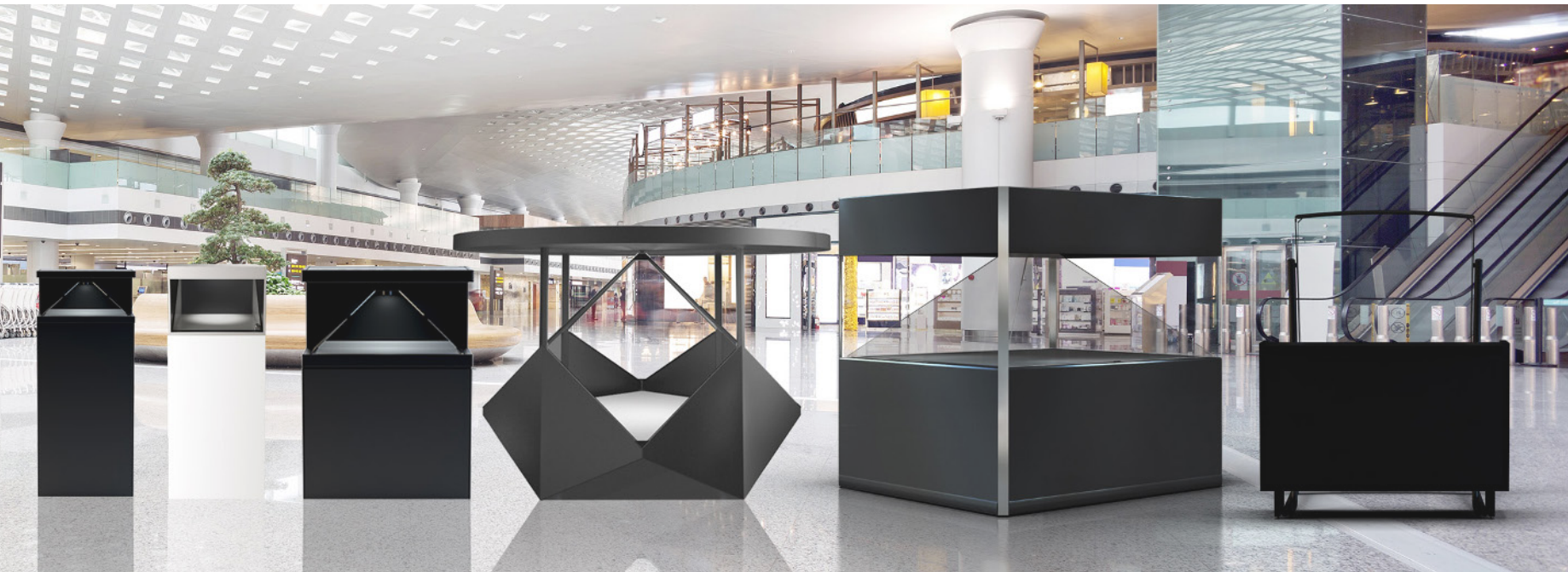
Currently, Microsoft (with its HoloLens and Mixed Reality platform), Meta (with its Quest Pro which was launched in 2022) and Magic Leap are the major players in the mixed reality segment with solutions based on head-mounted displays. Because of this, only the person wearing the product will be able to experience the overlay of 3D objects and effects that blend with the physical reality.

When it comes to glasses-free 3D displays, there are some companies developing or to some extent offering single-user or multi-user display products. Single-user displays include Samsung's Holographic Displays and Sony's Spatial Reality Display, while examples of companies active in the multi-user display space include FoVI3D, JDI, Lightfield Labs, Looking Glass and Dimeco/ Acer SpatialLabs.

Realfiction's foresees no direct competition from head-mounted display solutions and single-user displays due to their inability to be used in social settings. Furthermore, competing multi-user solutions are limited by one or more of the following factors: low perceived resolution, high manufacturing costs and an extremely high amount of data generation and transmission when used by multiple persons.

Compared to the competition, ECHO has key advantages such as a very high resolution for each user, low-manufacturing costs, lower bandwidth requirements and excellent scalability to large display sizes.





## CURRENT 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.

# FINANCIAL REVIEW

The Board of Directors and the Chief Executive Officer of Realfiction Holding AB hereby publishes the annual report and the consolidated accounts for the financial year 2022.

**This is an extract from parts of the official Swedish Annual Report. The official report is available at the company's website under "Financial reports" and is called "Annual Report 2022 (PDF) Swedish".**

## Business operations

Realfiction develops, sells and rents out market leading products and services in holographic displays and Mixed Reality (MR) based on innovative, as well as patent and design protected hardware platforms. All offerings are also packaged in an easy and powerful service concept called "Magic-as-a-Service".

The parent company's registered address is in Helsingborg.

## Group structure & Shareholding

Realfiction Holding AB has two fully owned Danish subsidiaries, Realfiction ApS and Realfiction Lab ApS. All activities are mainly carried out in the subsidiaries. In addition to the above, Realfiction Holding AB does not own any shares in other companies.

## Income Statement for the Group

Group net revenue amounts to TSEK 14,209 in 2022 and TSEK 12,575 in 2021. This represents an increase of 13% compared to 2021. Revenue in 2022 includes sales from our Magic-as-a-Service concept of TSEK 3,143 compared to TSEK 669 in 2021.

In note 15, we present the company's gross profit analysis. Cost of goods sold amounts to 5,029 TSEK (5,727 TSEK). The gross profit for 2022 can thus be established to 9,180 TSEK (6,848 TSEK), which resulted in an increased gross profit margin

in 2022 of 64.6% compared to 54.5% in 2021. The increase in the gross profit margin in 2022 was achieved due to a different sales mix and higher USD exchange rate compared to SEK (as many sales are invoiced in USD).

In 2022 the Company capitalized development expenditure relating to ECHO that fulfils the requirements of the capitalization accounting principle. As such, the 2022 operating result is positively impacted by 7,096 (TSEK 6,268) from the capitalization of salaries and internal expenses relating to ECHO.

Other external costs declined to TSEK 3,796 in 2022 from 5,356 in 2021. The decline was primarily due to the lower office costs in a subsidiary and savings from administration in general. The 2021 figure also includes a non-cash cost of TSEK 270 related to a warrant program for a consultant and legal fees in connection with the implementation of different incentive programs.

Personnel costs increased to TSEK 14,052 in 2022 compared to TSEK 12,058 in 2021. The increase is due to the addition of two new employees and salary increases due to inflation and the 2021 personnel costs also includes TSEK 1,124 in non-cash costs related to a warrant program to the CFO and board members.

All in all, our cash flow to cover "Net operating cost" increased by TSEK 903 in 2022 to a cash flow impact of TSEK 10,633 from TSEK 9,730 in 2021 as per note 15.

Group net financial costs consist of interest on the loan with Vækstfonden and currency losses due to the fluctuation of USD.

The net result for the Group in 2022 amounted to TSEK -1,388 compared to TSEK -970 in 2021.

## Balance sheet for the Group

Realfiction's total assets at 31 December 2022 amounted to 92,328 TSEK compared to 81,966 TSEK at 31 December 2021.

The increase is primarily due to the continued investments in the ECHO technology.

The Group's solvency ratio at 31 December 2022 was 79.9% compared to 87.2% at 31 December 2021.

Realfiction Holding AB issued a shareholder contribution of 9,182 TSEK to wholly owned subsidiaries. The premium was delivered on 31 December 2022 and will not entitle the shareholder to recover the supplement later. The contribution was made by reducing the company's loan receivable on the subsidiaries with the corresponding amount.

### Investments

In 2022, Realfiction invested 16,426 TSEK (17,231 TSEK) in intangible fixed assets related to the company's development of ECHO and licenses, with the aim to develop a new generation of 3D experiences – free-floating holograms without the need for glasses or other types of lenses between the eye and the effect, and the possibility to see and interact with 3D objects from different angles.

### Liquidity and funding

Realfiction's liquidity at 31 December 2022 amounts to TSEK 30,806 compared to TSEK 40,850 at 31 December 2021. Cash Flow from operating activities for 2022 was positive TSEK 4,513 compared to TSEK -1 for Q1-Q4 2021. The improvement is primarily due to the larger gross profit in 2022 compared to 2021 and increase in tax payment from the Danish tax authorities. The 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 2,996 in 2022 compared to TSEK 0 in 2021, and the Company expects to receive more tranches in the coming quarters.

Realfiction has a strong financial position and expects to have the liquidity necessary to sustain all its business operations, including the development of ECHO, into 2024.

### 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. At 31 December 2021, the number of shares in Realfiction Holding AB was 19,762,847 pieces (including fully paid but not yet registered share issue) compared to 19,737,847 pieces (including fully paid but not yet registered share issue) on 31 December 2021. The company has one share class. Each share entails equal rights to recognize the company's assets and results.

### Financial risk management

The financial risks can primarily be divided in the following categories:

#### Currency risk

The Groups sales are made in local currency as well as in foreign currency, primarily USD and DKK. Purchases are primarily made in DKK and USD. When deemed necessary, future currency flows are hedged through financial instruments. The goal is to try to neutralize the currency effects when transactions are made in different currencies. At the end of the year, the company did not own any currency futures or warrants.

### Interest risk

The Group's interest rate risks are mainly connected to interest-bearing liabilities with floating interest rate, totaling 4,270 TSEK at the balance day compared to 3,926 TSEK at 31 December 2021.

### Credit risk

The Group tries to find business partners with the highest possible credit rating. The majority of the Group's sales can be made with low credit risk. Historically, the credit losses have been low.

### Liquidity risk and financing risk

The Group is constantly working to maintain and improve its liquidity and to plan and ensure access to long-term financing.

### Significant events after the end of the year

- On 30 January 2023, Realfiction announced the completion of a first version of an ECHO holographic 3D display. The display is based on the company's patent-pending ECHO technology, which enables glasses-free 3D experiences for multiple viewers. Potential commercial partners were stated to be invited to view the display at Realfiction's development facilities in Taiwan from late February 2023, with public demonstration to be announced later this year.



## MULTIPLE YEAR OVERVIEW (TSEK)

Group	2022	2021	2020	2019	2018
Net revenue	14,209	12,575	9,501	21,357	23,799
Result after financial items	-2,066	-4,554	-9,749	-14,792	-12,733
Total Balance Sheet	92,328	81,966	65,348	37,834	20,821
Solvency ratio (%)*	79.9	87.2	84.0	74.7	22.5
Average number of employees	11	9	13	17	15
Gross profit 1)**	9,180	6,848	4,985	11,367	11,370
Gross profit margin (%)***	64.6	54.5	52.5	53.2	47.8
Earnings per share (SEK)****	-0.07	-0.05	-0.52	-1.00	-1.01
Average number of shares	19,740,483	18,362,982	15,761,189	12,943,521	11,633,135
Number of shares at the end of the period	19,762,847	19,711,847	18,241,442	15,610,613	11,633,135

\*Solvency ratio: Equity as a percentage of the balance sheet total

\*\*Gross profit Net turnover after costs for goods sold

\*\*\*Gross profit margin: Gross profit as a percentage of Net revenue

\*\*\*\*Earnings per share: The net profit or loss for the period divided by the average number of shares

1) See note 17

Parent company	2022	2021	2020	2019	2018
Net revenue	600	600	600	600	600
Result after financial costs	-1,082	-1,192	-861	-1,226	-1,203
Total Balance Sheet	109,766	110,588	94,324	59,962	30,734
Solvency ratio (%)	99.5	99.5	99.3	98.7	77.1
Average number of employees	0	0	0	0	0

### Ownership structure

The table below shows shareholders in Realfiction Holding AB as of December 31, 2022. It was used in full paid but not yet registered / issued new share issue.

Name	Number of shares	Ownership (in %)
Ceranco Equity S.C.S <sup>1</sup>	3,194,447	16.16
Clape Holding ApS <sup>2</sup>	3,005,000	15.21
AmTRAN Technology Co. Ltd.	2,065,123	10.45
Tamarind Limited <sup>1</sup>	1,599,461	8.09
Försäkringsaktiebolaget, Avanza Pension	979,254	4.96
Other shareholders (more than 3,100)	8,919,562	45.13
<b>Total</b>	<b>19,762,847</b>	<b>100.00</b>

1. Ceranco Equity S.C.S, Formue Nord Markedsneutral A / S and Tamarind Limited are investment companies with private investors.

2. CLAPE Holding ApS is 50 percent owned by the CEO and board member Clas Dyrholm and 50 percent by board member Peter Simonsen.

### Proposed appropriation of retained earnings

(Amount in SEK)

Proposition for the appropriating the company's retained earnings

At the proposal of the general meeting:

Share premium reserve	108,325,840
Loss for the year	-1,081,891
	<b>107,243,949</b>

The board proposes that unrestricted equity be allocated as follows:

Balanced in new account:	107,243,949
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## PROFIT AND LOSS

TSEK	Note	2022	Group 2021
<b>Operating income</b>			
Net revenue		14,209	12,575
Capitalised work for own account		7,096	6,268
Other income		787	808
<b>Total operating income</b>		<b>22,092</b>	<b>19,651</b>
<b>Operating expenses</b>	17		
Cost of goods sold		-5,029	-5,727
Other external costs		-3,796	-5,356
Personnel costs	4	-14,052	-12,058
Depreciation of tangible and non-tangible assets	8	-800	-786
<b>Total operating expenses</b>		<b>-23,677</b>	<b>-23,927</b>
<b>Operating result</b>	17	<b>-1,585</b>	<b>-4,276</b>
<b>Result from financial investments</b>			
Other interest income and similar profit/loss items	5	156	149
Interest costs and similar profit/loss items	6	-637	-427
<b>Total financial items</b>		<b>-481</b>	<b>-278</b>
<b>Result after financial items</b>		<b>-2,066</b>	<b>-4,554</b>
Tax for result of the year	7	678	3,584
<b>Result of the year</b>		<b>-1,388</b>	<b>-970</b>

## BALANCE SHEET

TSEK	Note	Group	
		31-12-2022	31-12-2021
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Development costs	8	48,576	29,209
Licenses		594	351
<b>Total intangible assets</b>		<b>49,170</b>	<b>29,560</b>
<b>Tangible assets</b>			
Fixtures, tools and installations	8	1,192	640
<b>Total tangible assets</b>		<b>1,192</b>	<b>640</b>
<b>Financial assets</b>			
Other long-term receivables	10	356	309
<b>Total financial assets</b>		<b>356</b>	<b>309</b>
<b>Total Non-current assets</b>		<b>50,718</b>	<b>30,509</b>
<b>Current assets</b>			
<b>Inventories etc.</b>			
Finished products and goods for sale		5,063	4,829
<b>Total inventories etc.</b>		<b>5,063</b>	<b>4,829</b>
<b>Short-term receivables</b>			
Trade receivables		363	479
Current tax receivables		3,781	3,654
Other receivables		1,181	1,164
Prepaid expenses		416	481
<b>Total short-term receivables</b>		<b>5,741</b>	<b>5,778</b>
<b>Cash and bank</b>	11	<b>30,806</b>	<b>40,850</b>
<b>Total current assets</b>		<b>41,610</b>	<b>51,457</b>
<b>Total assets</b>		<b>92,328</b>	<b>81,966</b>

TSEK	Note	Group	
		31-12-2022	31-12-2021
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		1,976	1,971
Share capital under registration		0	3
Other received capital		111,104	111,097
Other equity incl. the result of the period		-39,293	-41,585
<b>Total equity</b>		<b>73,787</b>	<b>71,486</b>
<b>Provisions</b>	12		
Deferred tax liability		2,985	0
<b>Total provisions</b>		<b>2,985</b>	<b>0</b>
<b>Long-term liabilities</b>	13		
Liabilities to credit institutions		2,851	<b>3,926</b>
Other liabilities		844	<b>763</b>
Prepaid income	14	3,996	<b>822</b>
<b>Total long-term liabilities</b>		<b>7,691</b>	<b>5,511</b>
<b>Short-term liabilities</b>			
Liabilities to credit institutions		1,419	0
Accounts payable		1,068	838
Other liabilities		2,615	2,183
Accrued costs and prepaid income		2,763	1,948
<b>Total short-term liabilities</b>		<b>7,865</b>	<b>4,969</b>
<b>Total liabilities</b>		<b>15,556</b>	<b>10,480</b>
<b>Total equity and liabilities</b>		<b>92,328</b>	<b>81,966</b>

## CHANGES IN EQUITY

Group					
TSEK	Share capital	Share capital under registration	Other contributed capital	Other own capital incl profit for the year	Total amount equity
<b>Amount at the beginning of the year 01-01-2021</b>	<b>1,801</b>	<b>23</b>	<b>95,354</b>	<b>-42,293</b>	<b>54,885</b>
Share issues 2020 registered 2021	23	-23	0	0	0
Share issues	147	3	16,754	0	16,904
Share issue costs	0	0	-1,011	0	-1,011
Warrant program	0	0	0	1,394	1,394
Exchange rate difference for the year	0	0	0	284	284
Result of the year	0	0	0	-970	-970
<b>Amount at the end of the year 31-12-2021</b>	<b>1,971</b>	<b>3</b>	<b>111,097</b>	<b>-41,585</b>	<b>71,486</b>
Share issues 2021 registered 2022	3	-3	0	0	0
Share issues*	2	0	49	0	51
Share issue costs	0	0	-42	0	-42
Warrant program	0	0	0	132	132
Exchange rate difference for the year	0	0	0	3,548	3,548
Result of the year	0	0	0	-1,388	-1,388
<b>Amount at the end of the year 31-12-2022</b>	<b>1,976</b>	<b>0</b>	<b>111,104</b>	<b>-39,293</b>	<b>73,787</b>

\*) Share issues consists of the following increase in equity that was fully paid in 2022:

- Exercise of subscription warrant of 26,000 shares that were registered on 9 November 2022

The number of shares amounts to 19,762,847 pieces and the quota value is 0.10 SEK/share.

The company has 487,100 outstanding warrants from the 2017 management program. Every warrant entitles the owner to subscribe for one Realfiction share. The warrants can be used until June 22, 2027, with an average subscription price of 1.59 SEK.

The company has 179,431 outstanding warrants from the 2021 management program. Every warrant entitles the owner to subscribe for one Realfiction share. 13.600 warrants can be used until 31 December 2024 while the remaining 165,831 warrants can be used until 31 December 2027. The warrants have an average subscription price of 16.61 SEK.

The company has 100,000 outstanding warrants from the 2022 consultant option program. Every warrant entitles the owner to subscribe for one Realfiction share. The warrants can be used until 31 December 2027. The warrants have an average subscription price of 12.00 SEK.

## CASH FLOW ANALYSIS

TSEK	Note	Group	
		2022	2021
<b>Operating activities</b>			
Operating result		-1,585	-4,276
Depreciation		800	786
Received interest		156	153
Warrant program (non-cash)		132	1,394
Payed interest		-622	-409
Received tax		3,915	1,486
<b>Cash flow from operating activities before changes in operating capital</b>		<b>2,796</b>	<b>-866</b>
<b>Cash flow from changes in operating capital</b>			
Decrease(+)/increase(-) in inventory		174	1,716
Decrease(+)/increase(-) in current receivables		357	-328
Decrease(+)/increase(-) in current liabilities		1,186	-523
<b>Cash flow from operating activities</b>		<b>4,513</b>	<b>-1</b>
<b>Investment activities</b>			
Purchase of intangible assets		-16,426	-17,231
Purchase of tangible assets		-1,276	-484
Sales of tangible assets		4	17
Sales and purchase of financial assets		-20	-43
<b>Cash flow from investment activities</b>		<b>-17,718</b>	<b>-17,741</b>
<b>Financing activities</b>			
Inno booster grant		2,996	0
Share issue		9	15,893
<b>Cash flow from financing activities</b>		<b>3,005</b>	<b>15,893</b>
<b>Cash flow for the year</b>		<b>-10,200</b>	<b>-1,849</b>
Cash and cash equivalents at the beginning of the year		40,850	42,372
Foreign exchange difference in cash and cash equivalents		156	327
<b>Cash and cash equivalents at the end of the year</b>		<b>30,806</b>	<b>40,850</b>

## Not 17 Gross profit analysis

		Group	
	Note	2022	2021
Net revenue		14,209	12,575
Cost of goods sold		-5,029	-5,727
<b>Gross profit</b>		<b>9,180</b>	<b>6,848</b>
Capitalised work for own account		7,096	6,268
Other external costs		-3,796	-5,356
Personnel costs	4	-14,052	-12,058
Depreciation of tangible fixed assets	8	-800	-786
Other income and expenses		787	808
<b>Net operating cost</b>		<b>-10,765</b>	<b>-11,124</b>
<b>Operating result</b>		<b>-1,585</b>	<b>-4,276</b>
<b>Net operating cost</b>		<b>-10,765</b>	<b>-11,124</b>
Non-cash costs		132	1,394
<b>Cash flow from net operating cost</b>		<b>-10,633</b>	<b>-9,730</b>

