



# Q1 INTERIM REPORT

1 JANUARY – 31 MARCH 2019

Realfiction Holding AB (publ) | 559110-4616



REALFICTION™

# Q1 INTERIM REPORT – SUMMARY

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## Q1 2019 (01-01-2019 – 31-03-2019)

- Revenue totaled TSEK 7,024 (Q1 2018: TSEK 6,046)
- Gross profit totaled TSEK 3,942 (Q1 2018: TSEK 2,377)
- Gross profit margin was 56.1% (Q1 2018: 39.3%)
- Result after financial items amounted to TSEK -3,209 (Q1 2018: TSEK - 3,871)
- Earnings per share SEK – 0.24 (Q1 2018: SEK - 0.33)
- Cash flow from operating activities was TSEK - 1,706 (Q1 2018: TSEK - 3,479)

*"Realfiction" or the "Company" means the Group, namely Realfiction Holding AB (registered under company registration number 559110-4616) and its wholly owned subsidiary Realfiction ApS. Realfiction ApS, the Group's operating subsidiary, was founded in 2008. Realfiction Holding AB was formed in April 2017 by way of a non-cash issue in which the shares in Realfiction ApS were exchanged for shares in Realfiction Holding AB, which resulted in the group relationship.*



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Picture on front page: Visualization of a user scenario for Project Echo

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## SIGNIFICANT EVENTS DURING Q1 2019

- On 23 January, Realfiction announced that it received several significant orders for its Mixed Reality solutions in the beginning of 2019. They include three Magic-as-a-Service retail campaigns in Denmark, three rental orders including usage at CES 2019 and two hardware orders covering the sale of a total of 39 smaller Dreamoc displays.
- On 12 February, Realfiction announced that Steen Iversen joined Realfiction as the company's Director of Advanced Display Technology. With prior positions including Technical Director and General Manager of IMAX Theatres International's European office, his new role at Realfiction will include leading the development of Realfiction's ground-breaking Mixed Reality platform Project Echo.
- On 5 March, Realfiction announced that it received several new significant orders from customers in Europe and the United States. These orders include one DeepFrame and three Dreamoc Diamond Mixed Reality displays.
- On 18 March, Realfiction announced that it submitted patent applications for its new directional pixel technology, referred to as Project Echo. The purpose is to bring displays to market that present 3D to audiences without glasses or other lenses between the human eye and the effect, and where 3D objects become solid and can be viewed and interacted with from different angles.
- On 20 March, Realfiction announced that it has established a development cooperation with Ibsen Photonics A/S and works with their optical designer M.Sc-EE, Optics, Michael Rasmussen regarding the development of Project Echo.
- On 28 March, Realfiction announced the opening of its new development facilities in Copenhagen and new contracts with University of Southern Denmark, NanoSYD and freelancers to gain access to leading nanophotonics and thin film electronics laboratory facilities and specialists for Project Echo.

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## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On 10 April, Realfiction announced that it has received several interesting orders in early Spring including additional MaaS retail campaigns
- On 16 May, Realfiction announced that to further accelerate its growth, the Company has carried out a Public Issue of 17.4 MSEK in cash and a directed Issue of 6.8 MSEK through conversion of loans. The subscription leads to an increase in the number of shares from 11,633,135 to 14,057,908.



## CEO COMMENTS

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2019 is off to a positive start for Realfiction. Our growth in both revenue and profit margin leads to a further improvement of the operating result from our Sales Activities, as this improved from a loss of TSEK 2,767 in Q1 2018 to a loss of TSEK 1,388 in Q1 2019. We are on track for breakeven on a monthly basis by the end of 2019 from our Sales Activities, as the amount of revenue coming from our Magic-as-a-Service (MaaS) business model continues to grow. Our profit margin for Q1 2019 reached 56.1%, which is a direct result of the implementation of the first stage in our STEP-UP-19 strategy.

Our focus and acceleration of Magic-as-a-Service for both in-store retail advertising and events at exhibition venues is starting to pay off. Our Mixed Reality media channel and solutions for event savvy companies are getting a lot of interest from brand owners. Our ambition is to open media channels in more retail chains and further grow our presence in the event market during 2019, and I am thrilled to see that our STEP-UP-19 strategy is already contributing so positively to our growth and key earnings parameters.

We have previously sold our hardware products to the likes of Pfizer and Mondelez. And when we launched the MaaS concept, I claimed that this model would eventually lead to a much wider use of our technology within these giant organizations. The reason being that we remove all the barriers of implementation and large investments and break it down into tactical marketing and sales promotion activities, that every team has the mandate to initiate. And as we continue to show our clients that our MaaS retail approach

creates both brand awareness and greatly increased sales for them, then the story spreads within these organizations leading to quicker adoption and repeated sales. I am happy to say that in the first couple of months creating MaaS campaigns, we have already completed the first successful campaigns for brands within Orkla, Cloetta and Mondelez.

In addition to the favorable development of the MaaS concept, we are seeing continued, steady sales of hardware, at a higher level than expected. We see how customers that consider MaaS from time to time decide to buy the equipment, still in most cases, with us delivering the content for their ongoing use of the equipment.

**“ I am happy to say that in the first couple of months creating MaaS campaigns, we have already completed the first successful campaigns for brands within Orkla, Cloetta and Mondelez. “**

During the first quarter we submitted 2 patent applications in relation to Project Echo – our innovative technology project focused on inventing the holy grail of 3D experiences; free-floating holograms that require no

glasses, devices or other lenses between the human eye and the effect, and where 3D objects can be viewed and interacted with from different angles. Our lab and specialist partners continue to foresee that the proof of concept will be presented in 2019.

**2019 is in many ways shaping up to be a breakthrough year for Realfiction. And this is made possible thanks to the valued support from our investors. Thank you for your support.**



**Clas Dyrholm**

CEO, Realfiction Holding AB



# REALFICTION'S BUSINESS AND CONCEPT

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## ABOUT THE COMPANY

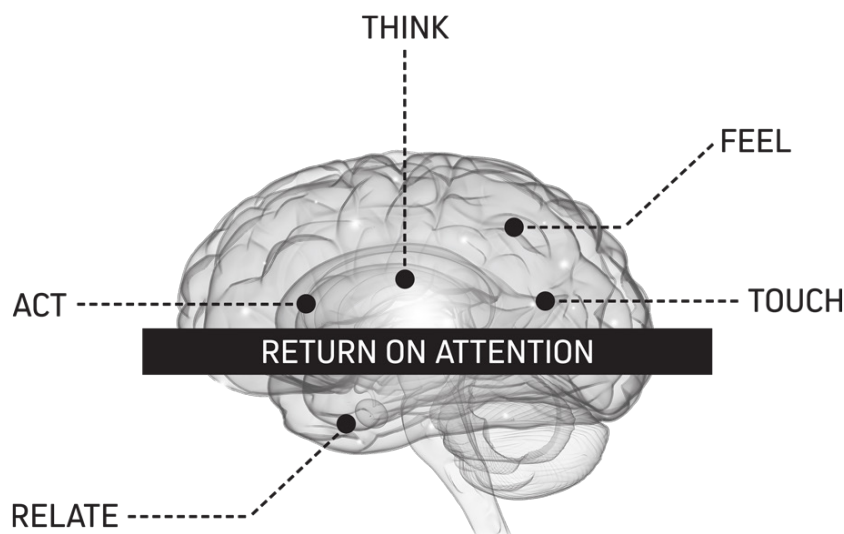
Realfiction develops, sells and rents out market leading Mixed Reality (MR) products and services based on innovative, as well as patent and designed protected, hardware platforms that have been developed over more than a decade. All of the above is packaged into a simple profitable and powerful service concept that we call “Magic-as-a-Service”. The company’s MR displays are especially well-suited for social environments as they do not require special glasses or other accessories.

## RELEVANT ACROSS MANY INDUSTRIES

Examples of customer groups that can benefit from the company’s products and services are shopping centers and department stores, car manufacturers, experience-based businesses such as amusement parks and museums, natural meeting points such as airports and travel centers as well as sectors such as education, architecture, manufacturing and construction, where there is a strong demand for real-time 3D visualizing.

## BRAND AWARENESS AND CUSTOMER CONVERSION

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. The company calls this method “Return on Attention”.





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## ASTONISHING AND ENGAGING EXPERIENCES

For experience driven customer groups such as amusement parks, museums and event organizers, but also manufacturers of consumer products, Realfiction's MR platform serves as an opportunity to combine the physical and the digital world in new and ground-breaking ways.

## FROM DISPLAY MANUFACTURER TO PROVIDER OF COMPLETE MR SOLUTIONS

Realfiction is repositioning the company from being a hardware provider to offering complete Mixed Reality solutions for truly magical experiences. This includes everything from the hardware (MR displays with client-specific features when needed) to the all-

important 3D content and finally on-site installation and maintenance. With the implementation of the first Mixed Reality media channel in Hypermarket outlets, we have begun a journey towards a highly scalable recurring revenue stream, where we can utilize our innovative technology and our knowhow efficiently. We are still in the first phase where Denmark is the focus area, but we are already getting interest from other countries. Our event solutions have really taken off, and we are expecting a healthy growth from this category as well. In both the retail and expo solutions, we utilize the power of our technology instead of selling it, and therefore we expect to see a continued improvement on the gross profit margin.



Visualization of Dreamoc Diamond in white at tradefair

## INNOVATION

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Since the beginning of our journey more than a decade ago, our vision has always been about creating experiences that bring people together. At the heart of this vision sits our innovation team, being 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. Being positioned in the so-called field of Mixed Reality, Realfiction is dedicated to exploring and inventing technology that breaks with the current approach of head-mounted wearables, as we believe this is just the first, primitive stage. We want to create social Mixed Reality that takes back the public space and enables epic experiences that challenge the very perception of reality.

### PROJECT ECHO – TRANSFORMING SCIENCE FICTION INTO REALITY

We have intensified our investment in innovation – and we now believe that we have found the technology that will allow us to invent the holy grail of 3D experiences; free-floating holograms that require no glasses, devices or other lenses between the human eye and the effect, and where 3D objects can be viewed and interacted with from different angles. This display has for many years existed purely as an item of science fiction,

deemed improbable to ever surface in our present lifetime. However, with the recently submitted patent applications for the new directional pixel technology, referred to as Project Echo, Realfiction is finally on the path to materialize this dream and bring it to market. Project Echo is the current center in the development department and can in the future provide significant licensing and joint cooperation opportunities.



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## VISION

This new technology is expected to make it possible to watch, enjoy and use visual presentations in ways that so far have been exclusive to science fiction universes such as Iron Man, Minority Report, Star Wars, etc. Finally, fiction can become a natural part of the real world of social interaction between human beings. This is now within reach with the Project Echo pixel technology. Assuming Realfiction succeeds in developing the patentpending technology, the Company believes it could potentially set a new standard for home entertainment, how we experience tv shows, series and movies on our phones, tablets and tv's, in comparison to the switch from black and white to color tv.

## PHASES AND MILESTONES

The next milestone is to complete and announce a proof of concept for the Project Echo pixel technology before the end of 2019. The objective

is to manufacture new directional pixels to present a clear path towards commercial mass production of displays comprising millions of such directional pixels. In its final and fully commercial form, the technology and related content effects will be available at scale and at price points that enable consumer adoption (B2C). However, it is expected that the first working products will target certain industrial (B2B) applications with very specific requirements.

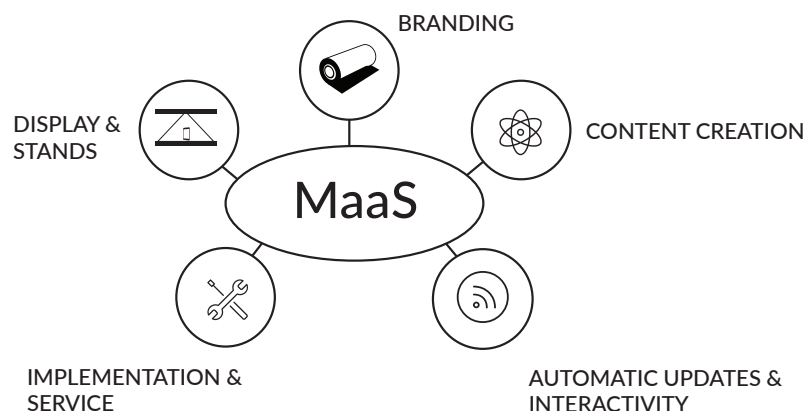
## POTENTIAL

Project Echo represents a licensing opportunity to Realfiction, due to materialize gradually. However, as with all other development, it should be noted that a risk exists that the development of Project Echo may be delayed, impeded or challenged by others and other, currently unknown technologies.



## SALES AND BUSINESS MODEL

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### NEW AND INNOVATIVE RETAIL BUSINESS MODEL WITH FIXED MONTHLY COSTS

With Realfiction's repositioning from being a hardware provider to deliver complete solutions, the company has created Magic-as-a-Service (MaaS) as a new business model, targeted directly at the retail industry. By providing full turnkey solutions, retailers and brand owners can access Realfiction's portfolio of displays in an easier and much more flexible way, eliminating the need for upfront investments or having to involve other external agencies.

As the company has recently established the first permanent MaaS placements in hypermarkets in Denmark, the new business model becomes even more attractive in the shape of a designated Mixed Reality media channel. New and existing suppliers to the hypermarkets can access this new media channel on a campaign basis, and ensure unique brand exposure to millions of customers each month. As there will be 1-3 Mixed Reality displays with adjustable placements in each hypermarket, suppliers and brand owners can essentially cut their time-to-market and deliver in-store experiences that drive attention and increase sales.

Currently, MaaS is available for the retail industry in Denmark and the Nordic countries, with a forthcoming roll-out in Germany and the UK during 2019.

### CONTINUED SALES AND RENTING VIA A WORLDWIDE NETWORK OF PARTNERS

Realfiction's global network of partners consists of more than 150 resellers and/or content developers in Europe, North and South America, Asia, Australia, the Middle East and other regions. Despite the shift in business model and go-to-market, the company will continue to offer partners the option to purchase its range of Mixed Reality displays and accessories, as well as provide access to the portfolio of displays for short-term rental purposes.

The company continues to outsource the production of the displays to third-party manufacturers, thus enabling the company to continuously adapting the production to the current demand for products in different geographical markets.



# PRODUCTS

## DREAMOC AND DEEPFRAME – MARKET LEADING MIXED REALITY (MR) DISPLAYS

All our products are sold individually and packaged into a simple and powerful service concept that we call “Magic-as-a-Service”. Realfiction’s line of Dreamoc and DeepFrame displays is at the center of the company’s MR solutions offered to end-clients through its worldwide partner network.

## 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. Different models have chambers of different size and design, and 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 XL3** 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.





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## DEEPFRAME – THE WORLD’S LARGEST MIXED REALITY DISPLAY

With the patent pending product series DeepFrame, that was launched in 2017, Realfiction has once again broken the barriers for what can be achieved with Mixed Reality. 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 the first 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.

The DeepFrame technology also has potential to be **built into consumer products**, and Realfiction is cooperating with LEGO, among others, to evaluate the potential within this field. For instance, smaller products, all the way down to a mobile phone in size, could be developed and then connected to an app-based ecosystem.









# FINANCIAL REVIEW

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## GROUP STRUCTURE & SHAREHOLDING

Realfiction Holding AB owns 100% of the shares in its subsidiary Realfiction ApS. All activities are carried out in the subsidiary, and Realfiction Holding AB's only operational activity is to own and manage the subsidiary Realfiction ApS. Otherwise, Realfiction Holding AB does not own any shares in other companies.

## DEVELOPMENT IN Q1 2019

### Income Statement

Group net revenue amounts to TSEK 7,024 for Q1 2019. This is an increase of 16% compared to Q1 2018. The primary part of net revenue in Q1 consists of product sales from the Dreamoc and DeepFrame category, while sales from our MaaS concept account for TSEK 1,204.

Cost of goods sold amounts to TSEK 3,082 for Q1 2019 compared to TSEK 3,669 for Q1 2018.

Thus our gross profit in Q1 2019 increased to TSEK 3,942 from 2,377 in Q1 2018 and resulted in an increased gross profit margin in Q1 2019 of 56.1% compared to 39.3% in Q1 2018. The significant increase in the gross profit margin is primarily attributable to the increase in sales from our MaaS concept, but also due to the fact that our gross profit in Q1 2017 was negatively impacted by new products offered at lower prices.

Adjusted for the effects of currency development, the Company's revenue in the first quarter of 2019,

increased by 17% (TDKK 4,304) compared to the average revenue of the previous 4 quarters. Due to the continued acceleration of the Company's Magic-as-a-Service activities, gross profit and gross profit margin has increased to TDKK 2,827 (TSEK 3,942) and by 56% from an average of the previous 4 quarters of TDKK 2,055 and 48%. The gross profit margin varies from quarter to quarter based on sales mix, but the positive contribution to gross profit from the Company's Magic-as-a-Service concept is clear – even though it is still in its early days. The gross profit margin in Q1 2019 has increased by 8 percentage points relative to the 2018 average, corresponding to an increase of almost 17%.

Other external costs decreased to TSEK 2,613 in Q1 2019 from 2,930 in Q1 2018. The decrease is primarily due to decreased marketing costs as the company launched new products at expos in Q1 2018.

Personnel costs are at a high level in Q1 due to onboarding of sales resources and continuous investments in product and market development and innovation.

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

The net result for the Group in Q1 2019 amounts to TSEK -2,843 compared to TSEK -3,871 in Q1 2018.

### Supplementary Income Statement

On page 22 we present our supplementary income statement with our two main activities; Sales and Innovation & Development.



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In Q1 2019, we accelerated our Innovation & Development Activities, with primary focus on Project Echo. Project Echo aims at inventing the holy grail of 3D experiences; freefloating holograms that require no glasses, devices or other lenses between the human eye and the effect, and where 3D objects can be viewed and interacted with from different angles. Our net expenditure in Innovation & Development Activities increased to TSEK 1,510 in Q1 2019 from TSEK 858 in Q1 2018.

With increased gross profit as mentioned above, the operating result from our Sales Activities improved from a loss of TSEK 2,767 in Q1 2018 to a loss of TSEK 1,388 in Q1 2019.

### Balance Sheet

Realfiction's total assets at 31 March 2019 amounts to TSEK 18,690. Inventory at 31 March 2019 amounts to TSEK 8,344 compared to TSEK 8,909 at 31 December 2018. The decrease in inventory compared to 31 December 2018 is a result of the increased sales and transfer to tangible assets to support our "STEP-UP-2019" strategy.

Other payables of TSEK 10,909 at 31 March 2019 include the bridge loan obtained in the beginning of October 2018. The bridge loan carries interest and Realfiction has in the 2nd quarter of 2019 converted the loan to repay the lenders in Realfiction shares. The bridge loan amounts to TSEK 6,682 at 31 March 2019.

The Group's solvency ratio at 31 March 2019 was 10.3% compared to 22.5% at 31 December 2018.

### Investments

In Q1 2019, Realfiction rolled out additional Magic-as-a-Service displays. These displays have been capitalized as tangible assets which increased to TSEK 1,922 at 31 March 2019 compared to 1,707 at 31 March 2018.

### Cash Flow and Liquidity

Realfiction's liquidity at 31 March 2019 amounts to TSEK 3,044. Cash flow from operating activities for Q1 2019 improved to TSEK -1,707 compared to TSEK -3,479 for Q1 2018. The improvement is primarily caused by the positive impact from increased MaaS business – and the increase in revenues is a trend which is forecasted to continue in 2019.

With the first evidence that MaaS is the future business model for Realfiction, in the spring of 2019, we have strengthened the Company's balance sheet and liquidity via a capital increase for MSEK 24.5. The capital increase consisted of conversion of loans for MSEK 6.8 and a cash capital increase for MSEK 17.4. The cash will be used to further intensify the execution of our go to market strategy for MaaS and to invest into Project Echo – our new innovation project that we expect will ensure that Realfiction takes a leap beyond our competitors.

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We maintain our forecast that the Company's Sales Activities will become cashflow positive on a monthly basis by the end of 2019.

### The Shares

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 March 2019, the number of shares in Realfiction Holding AB amounts to 11,633,135. The Company has one share class. All shares have equal dividend rights.

### 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 2018 Annual Report.

## OWNERSHIP STRUCTURE

The table below shows key shareholders in Realfiction Holding AB at 31 March 2019.

Name	Number of shares	Ownership (in %)
Ceranco Equity S.C.S <sup>1</sup>	3,194,447	27.46
Clape Holding ApS <sup>2</sup>	2,875,000	24.71
AmTRAN Technology Co. Ltd.	1,308,838	11.25
Nordnet Pensionsförsäkring AB (custodian)	635,177	5.46
Other shareholders (more than 950)	3,619,673	31.12
<b>Total</b>	<b>11,633,135</b>	<b>100.0</b>

1. Ceranco Equity S.C.S is an investment company with private investors, with board member Søren Jonas Bruun as its general partner and main owner of the associated management company.

2. 50 % owned by CEO and board member Clas Dyrholm and 50 % owned by board member Peter Simonsen.

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### Audit review

The Q1 Interim Report has not been audited or reviewed by the Company's independent auditors. The Annual Report 2018 for Realfiction ApS has been audited.

### Accounting policies

Realfiction Holding AB applies the Annual Accounts Act and the Board of Directors' General Advice BFNAR 2012.1 (K3) in the preparation of its Swedish financial reports.

### Financial Calendar:

Annual General Meeting:	11 June 2019
Interim Report H1:	29 August 2019
Interim Report Q1-Q3:	28 November 2019
Year-End Report 2018:	26 March 2020

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

### Certified Adviser

Sedermåra Fondkommission is Realfiction Holding AB's Certified Adviser.

### For further information, please contact:

Clas Dyrholm, CEO  
Telefon: +45 70 20 64 90  
E-mail: [investor@realfiction.com](mailto:investor@realfiction.com)

*The Board of Directors and the CEO declare that to the best of their knowledge, the Q1 Interim Report 2019 presents a fair view of the financial position of the Company at 31 March 2019 as well as of the results of the group operations and cash flows for the period 1 January– 31 March 2019.*

**Helsingborg, 29 May 2019**  
**Realfiction Holding AB**  
**Board of Directors and CEO**

This information is information that Realfiction Holding AB is obliged to make public pursuant to the Swedish Securities Market Act (Lagen (2007:528) om värdepappersmarknaden). The information was submitted for publication, through the agency of the contact person set out above, on 29 May 2019.



# FINANCIAL HIGHLIGHTS AND KEY RATIOS

## Selected Financial Highlights and Key Ratios – Group

SEK '000	Q1-2019 01-01-2019 -31-03-2019 3 months	Q1-2018 01-01-2018 -31-03-2018 3 months	Q1-Q4-2018 01-01-2018 -31-12-2018 12 months
Net revenue	7,024	6,046	23,799
Gross profit	3,942	2,377	11,370
Result after financial items	-3,209	- 3,871	-12,733
Total Assets	18,690	22,458	20,821
Cash flow from operating activities	-1,706	- 3,479	-14,323
Cash at bank and in hand	3,044	13,570	5,140
Solvency ratio (%)	10.3	52.8	22.5
Average number of employees	15	13	15
Gross profit margin (%)	56.1	39.3	47.8
Earnings per share (SEK)	-0.24	-0.33	-1.01
Average number of shares	11,633,135	11,633,135	11,633,135

## Definitions

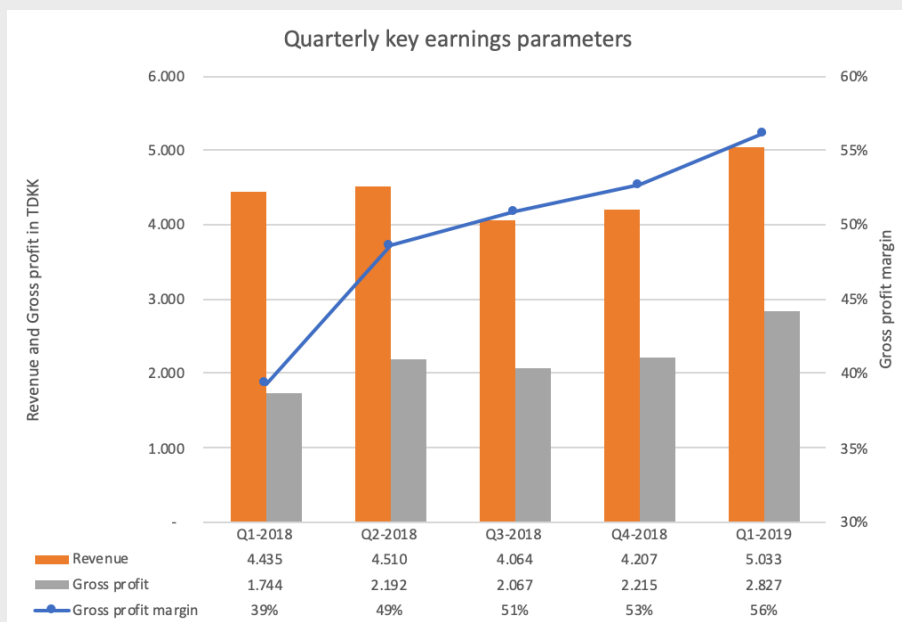
**Solvency ratio:** Equity as a percentage of the balance sheet total. Key ratios of equity are presented to provide a better understanding of Realfiction's long-term ability to pay its debt.

**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.

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	Q1-2019 01-01-2019 -31-03-2019 3 months	Q1-2018 01-01-2018 -31-03-2018 3 months	Q1-Q4-2018 01-01-2018 -31-12-2018 12 months
Net revenue	7,024	6,046	23,799
Cost of goods sold	- 3,082	- 3,669	- 12,429
<b>Gross profit</b>	<b>3,942</b>	<b>2,377</b>	<b>11,370</b>
Other external costs	- 2,613	- 2,930	- 9,184
Personnel costs	- 4,109	- 3,152	- 14,768
Depreciation of tangible fixed assets	- 227	- 26	- 290
Other income and expenses	109	106	1,126
<b>Operating result</b>	<b>- 2,898</b>	<b>- 3,625</b>	<b>- 11,746</b>
Other financial income	38	29	219
Other financial costs	- 349	- 275	- 1,206
<b>Result after financial items</b>	<b>- 3,209</b>	<b>- 3,871</b>	<b>- 12,733</b>
Tax on the profit of the period	366	0	940
<b>Net result for the period</b>	<b>- 2,843</b>	<b>- 3,871</b>	<b>- 11,793</b>

## Balance Sheet (condensed) - Group

SEK '000	31-03-2019	31-03-2018	31-12-2018
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Tangible assets</b>			
Other property, plant and equipment	1,922	299	1,707
<b>Total tangible assets</b>	<b>1,922</b>	<b>299</b>	<b>1,707</b>
Other long-term receivables	683	254	317
<b>Total financial assets</b>	<b>683</b>	<b>254</b>	<b>317</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,605</b>	<b>553</b>	<b>2,024</b>
<b>Current assets</b>			
Inventories	8,344	4,094	8,909
<b>Total inventories</b>	<b>8,344</b>	<b>4,094</b>	<b>8,909</b>
Trade receivables	1,549	2,126	1,551
Other short-term receivables	942	804	648
Prepaid expenses	1,256	445	1,610
Tax receivable	950	866	939
<b>Total short-term receivables</b>	<b>4,697</b>	<b>4,241</b>	<b>4,748</b>
<b>Cash at bank and in hand</b>	<b>3,044</b>	<b>13,570</b>	<b>5,140</b>
<b>TOTAL CURRENT ASSETS</b>	<b>16,085</b>	<b>21,905</b>	<b>18,797</b>
<b>TOTAL ASSETS</b>	<b>18,690</b>	<b>22,458</b>	<b>20,821</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>			
Share capital	1,163	1,163	1,163
Other reserves incl. retained earnings	759	10,697	3,517
<b>TOTAL EQUITY</b>	<b>1,922</b>	<b>11,860</b>	<b>4,680</b>
Credit institutions	2,075	3,539	2,051
<b>Non-current liabilities</b>	<b>2,075</b>	<b>3,539</b>	<b>2,051</b>
Short-term of non-current liabilities	1,871	1,667	1,848
Trade payables	1,913	2,070	1,320
Other payables	10,909	3,322	10,922
<b>Total current liabilities</b>	<b>14,693</b>	<b>7,059</b>	<b>14,090</b>
<b>TOTAL LIABILITIES</b>	<b>16,768</b>	<b>10,598</b>	<b>16,141</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>18,690</b>	<b>22,458</b>	<b>20,821</b>



## Cash Flow Statement (condensed) – Group

SEK '000	Q1-2019 01-01-2019 -31-03-2019 3 months	Q1-2018 01-01-2018 -31-03-2018 3 months	Q1-Q4-2018 01-01-2018 -31-12-2018 12 months
<b>Operating result</b>	<b>- 2,898</b>	<b>- 3,625</b>	<b>-11,746</b>
Exchange adjustments	0	-37	0
Depreciation	227	26	290
<b>Operating result after exchange adjustments</b>	<b>- 2,671</b>	<b>-3,636</b>	<b>-11,456</b>
<b>Operating activities</b>			
Change in trade receivables	22	- 1,646	-1,062
Change in inventories	675	919	-3,940
Change in other receivables	77	649	929
Change in short-term part of long-term payables	0	11	11
Change in other payables	400	151	1,430
Change in trade payables	102	319	-59
<b>Cash flow from ordinary activities</b>	<b>- 1,395</b>	<b>- 3,233</b>	<b>-14,147</b>
Paid financial costs	- 311	- 246	-1,079
Tax payments	0	0	903
<b>Cash flow from operating activities</b>	<b>- 1,706</b>	<b>- 3,479</b>	<b>-14,323</b>
Purchase of financial assets	0	- 17	-70
Purchase of tangible assets	- 424	- 156	-1,831
<b>Cash flow from investing activities</b>	<b>- 424</b>	<b>- 173</b>	<b>-1,901</b>
<b>Financing activities</b>			
Payment of long-term liabilities	0	- 425	-1,724
Bridge loan	0	0	5,447
<b>Cash flow from financing activities</b>	<b>0</b>	<b>- 425</b>	<b>3,723</b>
<b>Cash flow for the period</b>	<b>- 2,130</b>	<b>-4,077</b>	<b>-12,501</b>
<b>Cash and cash equivalents at period start</b>	<b>5,140</b>	<b>17,137</b>	<b>17,137</b>
Exchange rate recalculation difference – cash and cash equivalents	34	510	504
<b>Cash and cash equivalents at period end</b>	<b>3,044</b>	<b>13,570</b>	<b>5,140</b>

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

SEK '000	Q1-2019 01-01-2019 -31-03-2019 3 months	Q1-2018 01-01-2018 -31-03-2018 3 months	Q1-Q4-2018 01-01-2018 -31-12-2018 12 months
<b>Equity at period start</b>	<b>4,680</b>	<b>16,223</b>	<b>16,223</b>
Exchange adjustments	85	- 492	250
Net result for the period	- 2,843	- 3,871	- 11,793
<b>Equity at period end</b>	<b>1,922</b>	<b>11,860</b>	<b>4,680</b>

## Supplementary Income Statement (condensed) - Group

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

Sales Activities	Q1-2019 01-01-2019 -31-03-2019 3 months	Q1-2018 01-01-2018 -31-03-2018 3 months	Q1-Q4-2018 01-01-2018 -31-12-2018 12 months
<b>SEK '000</b>			
<b>Gross profit</b>	<b>3,942</b>	<b>2,377</b>	<b>11,370</b>
Other external costs	- 2,146	- 2,719	- 7,750
Personnel costs	- 3,060	- 2,477	- 12,026
Depreciation of tangible fixed assets	- 221	- 26	- 290
Other income and expenses	97	78	315
<b>Operating result</b>	<b>- 1,388</b>	<b>- 2,767</b>	<b>- 8,381</b>

Innovation & Development Activities	Q1-2019 01-01-2019 -31-03-2019 3 months	Q1-2018 01-01-2018 -31-03-2018 3 months	Q1-Q4-2018 01-01-2018 -31-12-2018 12 months
<b>SEK '000</b>			
Other external costs	- 467	- 211	-1,434
Personnel costs	- 1,049	- 675	-2,742
Depreciation of tangible fixed assets	- 6	0	0
Other income and expenses	12	28	811
<b>Operating result</b>	<b>- 1,510</b>	<b>- 858</b>	<b>-3,365</b>

## Income Statement (condensed) – Parent company

SEK '000	Q1-2019 01-01-2019 -31-03-2019 3 months	Q1-2018 01-01-2018 -31-03-2018 3 months	Q1-Q4-2018 01-01-2018 -31-12-2018 12 months
<b>Operating income</b>			
Net revenue (group internal)	150	0	600
<b>Operating costs</b>			
External costs	- 183	- 287	- 1,145
Personnel costs	- 131	0	- 516
<b>Operating result</b>	<b>-164</b>	<b>- 287</b>	<b>-1,061</b>
Other financial income	0	0	133
Other financial costs	- 276	- 1	- 275
<b>Net result for the period</b>	<b>- 440</b>	<b>- 288</b>	<b>-1,203</b>



## Balance Sheet (condensed) – Parent company

SEK '000	31-03-2019	31-03-2018	31-12-2018
<b>Non-current assets</b>			
<b>Financial assets</b>			
Shares in subsidiary	26,911	19,000	26,911
<b>Total financial assets</b>	<b>26,911</b>	<b>19,000</b>	<b>26,911</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>26,911</b>	<b>19,000</b>	<b>26,911</b>
<b>Current assets</b>			
Intercompany receivable	823	211	0
Other receivables	56	472	76
Prepaid expenses	887	0	810
<b>Total short-term receivables</b>	<b>1,766</b>	<b>683</b>	<b>886</b>
<b>Cash at bank and in hand</b>	<b>2,030</b>	<b>5,027</b>	<b>2,937</b>
<b>TOTAL CURRENT ASSETS</b>	<b>3,796</b>	<b>5,710</b>	<b>3,823</b>
<b>TOTAL ASSETS</b>	<b>30,707</b>	<b>24,710</b>	<b>30,734</b>
<b>Liabilities and Equity</b>			
<b>Equity</b>			
Share capital	1,163	1,163	1,163
Other reserves	22,537	23,740	23,740
Net result for the period	-440	- 288	-1,203
<b>TOTAL EQUITY</b>	<b>23,260</b>	<b>24,615</b>	<b>23,700</b>
Trade payables	24	25	11
Other payables	7,423	70	7,023
<b>Total short-term liabilities</b>	<b>7,447</b>	<b>95</b>	<b>7,034</b>
<b>TOTAL LIABILITIES</b>	<b>7,477</b>	<b>95</b>	<b>7,034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,707</b>	<b>24,710</b>	<b>30,734</b>