



## Realfiction Holding AB announces its Q2 Interim Report for April – June 2019

The company announces that the Q2 Interim Report for April – June 2019 is now available. The full report is attached as a separate document and can also be downloaded 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). Below is a brief summary of the Q2 Interim Report.

### Important key figures:

- 7% decline in total revenue Q2, 2019 compared to Q2, 2018
- 1% increase in gross profit in Q2, 2019 compared to Q2, 2018
- 9% increase (4 points) in gross profit margin in Q2, 2019 compared to Q2, 2018
- Solvency ratio of 69.4% at 30 June 2019 compared to 10.3% at 31 March 2019

**During and after the period, Realfiction has experienced both positive and negative development in its business, including:**

**Magic-as-a-Service:** Realfiction is undergoing a major change in business model from general hardware sales to our new Magic-as-a-Service model within the two verticals Retail and Exhibitions. We have been able to do this so far with a constant increase of sales and margins. However, the road to success is rarely a straight line and this upward trend was interrupted in Q2 with disappointing sales, primarily due to a temporary slow-down in Exhibition related orders.

**Project Echo:** We have previously announced that a proof of concept was anticipated during 2019. We now expect to be ready with this very important milestone by the end of September 2019 or in the beginning of October. We are currently also investigating whether a technological variation of the core vision could allow for a faster track to the commercial phase, by leveraging the inventions of Project Echo in a context of using key components from existing display technologies.

**Capital increase:** On 28 June 2019, Bolagsverket registered our capital increase consisting of a Public Issue of 17.5 MSEK in cash and a directed Issue of 6.8 MSEK through conversion of loans. The subscription lead to an increase in the number of shares from 11,633,135 to 14,057,908.

**CEO Clas Dyrholm comments:** "We are receiving a lot of positive feedback from customers who previously used our larger attention-grabbing solutions at trade shows and events. Several of them are now using, or planning to use, our solutions for the second or third tradeshow as a clear proof of the value we add. Our retail customers are also really positive about their initial Magic-as-a-Service campaigns and have – in addition to the obvious branding effect our solution creates – been able to achieve really positive extra sales results. So, despite disappointing sales for the time being and that we now expect breakeven in our Sales Activities will be pushed from any single month before the end of 2019 into 2020 – we are very much on the

right track and we are pleased to confirm that the massive potential of our business, no matter if one refers to Magic-as-a-Service for Retail or Exhibitions or indeed to Project Echo ... is Real, not Fiction.”

**We highlight the following key figures from the Q2 Interim Report:**

**Q2 2019 (1 April – 30 June 2019)**

- Revenue totaled TSEK 5,825 (Q2 2018: TSEK 6,259)
- Gross profit totaled TSEK 3,189 (Q2 2018: TSEK 3,143)
- Gross profit margin was 54.7% (Q2 2018: 50.2%)
- Result after financial items amounted to TSEK -2,875 (Q2 2018: TSEK -3,968)
- Earnings per share SEK -0.21 (Q2 2018: -0.29)
- Cash flow from operating activities was TSEK -3,011 (Q2 2018: TSEK -7,415)

**H1 2019 (1 January – 30 June 2019)**

- Revenue totaled TSEK 12,849 (H1 2018: TSEK 12,305)
- Gross profit totaled TSEK 7,131 (H1 2018: TSEK 5,520)
- Gross profit margin was 55.5% (H1 2018: 44.9%)
- Result after financial items amounted to TSEK -6,084 (H1 2018: TSEK -7,839)
- Earnings per share SEK -0.46 (H1 2018: -0.62)
- Cash flow from operating activities was TSEK -4,719 (H1 2018: TSEK -10,904)

**For more information about Realfiction Holding AB, please contact:**

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**Certified Adviser**

Mangold Fondkommission AB is the company's Certified Adviser and can be contacted via [ca@mangold.se](mailto:ca@mangold.se) or +46 8 503 015 50.

*This information is information that Realfiction Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.45 CEST on 29 August 2019.*

**About Realfiction Holding AB**

Founded in Denmark in 2008, Realfiction is a leading innovator and provider of Mixed Reality solutions and services, a market estimated to reach USD 80 billion by 2025. Realfiction continues to invent technologies within Mixed Reality, with an intention to disrupt the industry by pursuing the vision of converting science fiction into real fiction. Realfiction Holding AB's share is publicly traded on Nasdaq Stockholm First North under the symbol "REALFI". The share's ISIN code is SE0009920994.