

A modern, minimalist interior space, likely a wine cellar or tasting room. The foreground features a long, light-colored wooden counter. On top of the counter are three black, rectangular display cases. Each case contains a wine glass filled with red wine, illuminated by a small spotlight. The background shows a large room with vertical wooden slats and large windows offering a view of a city. The ceiling is white with recessed lighting.

# Q1-Q3 INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2018

Realfiction Holding AB (publ) | 559110-4616



REALFICTION™

# Q1-Q3 Interim Report – Summary

## Q3 2018 (01-07-2018-30-09-2018)

- Revenue totaled TSEK 5,675 (Q3 2017: TSEK 4,165)
- Result after financial items amounted to TSEK -1,505 (Q3 2017: TSEK -2,144)
- Gross profit totaled TSEK 2,887 (Q3 2017: TSEK 1,830)
- Gross profit margin\* was 50.9 (Q3 2017: 43.9%)
- Earnings per share\*\* SEK -0.13 (Q3 2017 SEK -0.17)
- Cash flow from operating activities was TSEK -4,609 (Q3 2017: TSEK -2,882)

## Q1-Q3 2018 (01-01-2018-30-09-2018)

- Revenue totaled TSEK 17,980 (Q1-Q3 2017: TSEK 12,995)
- Result after financial items amounted to TSEK -9,344 (Q1-Q3 2017: TSEK -5,934)
- Gross profit totaled TSEK 8,306 (Q3 2017: TSEK 5,936)
- Gross profit margin\* was 46.2% (Q3 2017: 45.7%)
- Earnings per share\*\* SEK -0.75 (Q1-Q3 2017: SEK -0.60)
- Cash flow from operating activities was TSEK -15,512 (Q1-Q3 2017: TSEK -7,386)

\*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.

*"Realfiction" or the "Company" refers to 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.*

## SIGNIFICANT EVENTS DURING Q3 2018

- On 2 August 2018, Realfiction announces that the company has developed a complete subscription service that include usage of the company's MR displays and scheduled content updates. The company is in final negotiations with end-clients in the retail sector and expect to present the first agreements in Q3 2018.
- On 24 September 2018, Realfiction announces that Danske Spil, the #1 betting company in Denmark, will deploy the complete MaaS concept in some of their most valued retail locations.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On 2 October 2018, Realfiction announces that the company has received an order for a DeepFrame One mixed reality display to be used by one of the world's largest automotive companies. It will be one of the automotive company's centrepieces in several upcoming exhibitions in Asia.
- On 4 October 2018, Realfiction announces its "STEP-UP-19" strategy, which is a major push towards market leadership in the increasingly mature markets for Mixed Reality solutions. The essence is a more ambitious strategy for both current business activities and brand new Mixed Reality technologies. The company also announces that funding of MSEK 6.1 for the first part of the plan has been secured.
- On 1 November 2018, Realfiction announces that a DeepFrame system has been installed at the LEGO flagship store located on Strøget in Copenhagen, the

city's premier shopping street. The display will initially be used for 4-6 weeks as a unique window installation showing a LEGO mixed reality experience for people passing by the store.

- On 8 November 2018, Realfiction announces that it will be hosting a webinar with a detailed presentation of the company's new STEP-UP-2019 strategy, describing how the company will generate additional growth in its existing operations. The webinar will also include a visualisation of a new ground-breaking holographic technology that is under development.
- On 26 November 2018, Realfiction announces the launch of its Magic-as-a-Service concept with long-term placement of mixed reality displays inside hypermarkets and other major retailers. This represents the world's first Mixed Reality media-channel and will offer unique Mixed Reality exposure to 10's of millions of consumers each month with significant commercial impact not only to the brands but also to Realfiction.
- On 27 November 2018, Realfiction announces the agreement with Bilka, Denmark's #1 hypermarket chain, to establish its Magic-as-a-Service concept with open-ended placement of 1-3 mixed reality displays at each of Bilka's 19 hypermarkets. This new Mixed Reality media channel will provide Bilka's new and existing suppliers with unique campaign opportunities, ensuring brand exposure to 6-8 million visitors each month.
- On 27 November 2018, Realfiction announces that Danske Spil, the #1 betting company in Denmark, has chosen to extend their MaaS campaign, which is currently running at all 19 Bilka hypermarkets in Denmark.

## CEO comments



**Q3-18 results:** I am pleased to report that for the third quarter in a row, revenues are significantly higher compared to same period last year, resulting in a cumulated growth in revenue year to date of 38% over last year. The other, and even more important, key point is that our Magic-as-a-Service business is already growing to become an important part of the sales mix. As a result, we are experiencing much improved gross profit margins, from 43.9% in Q3 2017 to 50.9% this past quarter. The combination of topline growth of TSEK 1,510 to 5,675 in Q3 2018 and the gross profit margin improvement of 7% translates into an increase in the gross profit for

Q3 2018 of TSEK 1,057 to 2,887 in Q3 2018 from 1,830 in Q3 2017 which is an increase in the gross profit of 58%.

**Projections:** On this positive back-ground and with our STEP-UP-19 plan, ref. below, we now expect to be able to increase our yearly revenue from Magic-as-a-Service to around 100 MDKK within 2-3 years. In this connection we have also re-confirmed our forecast that the core operations (excluding development costs) will become cashflow positive during 2019.

**Magic-as-a-Service:** At our STEP-UP-19 webinar, just

## CEO COMMENTS

two days ago ([click here](#)), I had the pleasure to provide further perspective, plans and insights to our Magic-as-a-Service (MaaS) business model. The model is developed to deliver a barrier-free service that caters for the end-clients' needs. The brands, our clients, no longer have to purchase hardware and worry about workloads, planning and costs in later campaigns. With the MaaS model we deliver every aspect of one or more campaigns in as many locations as needed at a fixed monthly fee. We take full responsibility and ensure a flawless execution with optimal effect, with much less hassle and risk for the client. We are already well underway in implementing MaaS at prime locations. In September we announced that the first MaaS client would be Danske Spil, the #1 betting company in Denmark, grasping a great opportunity of creating more awareness and positive reactions in the largest chain of hyper markets in Denmark. The campaign was launched on October 1st scheduled to run through October and November.

**The World's first Mixed Reality media channel:** The campaign with Danske Spil has been extended to end of 2018 and has convinced Bilka, the chain of hyper

markets, of the positive effects of our retail experience solutions. Visitors are reacting very positively to the solution, and Bilka can see a growth in revenue on the marketed product. Realfiction has therefore been granted access to establish up to 3 positions in each hyper market, each representing a unique marketing position for a variety of brands that are selling their products in these stores. As 6,5 mio visitors are passing through Bilka's doors each month, this chain is extremely interesting for all the consumer brands.

**Project Echo:** At the webinar, this week, we also announced the launch of a new development project under the name "Project Echo". The aim is to develop a display technology that makes it possible for a group of people to experience and interact with holographic effects in open space, without any physical media or lens between them and the effects. This has historically been an unattainable vision for the industry that most people are aware of from science fiction movies.

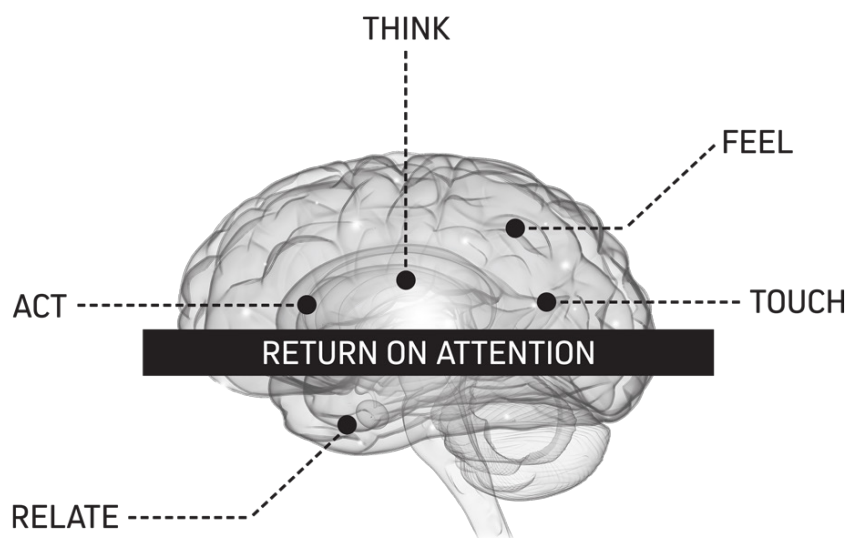
On that note, I wish to thank our investors for your valued support.



**Clas Dyrholm**  
CEO, Realfiction Holding AB



## Realfiction's business and concept



### 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 has 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".

### ASTONISHING AND ENGAGING EXPERIENCES

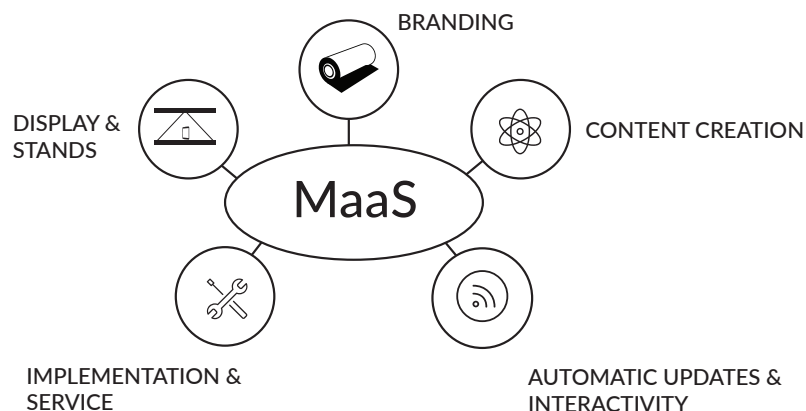
For experience driven customer groups such as amusement parks, museums and event organizers, but also manufacturers of consumer products, Realfiction's MR platform serves as an opportunity to combine the physical and the digital world in new and ground-breaking ways.

### 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. This is an important paradigm shift that will enable the company to substantially increase its recurring revenues and thus building a stable cash flow that can be used to expand its line of leading products and solutions.



## Sales and business model



### 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 supermarkets 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 supermarkets 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 supermarket, suppliers and brand owners can essentially cut their time-to-market and deliver in-store experiences that drive attention and increase sales.

Currently, "Magic-as-a-Service 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 are at the center of the company’s MR solutions offered to end-clients by 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 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 suggests, larger models that makes 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.



Dreamoc HD3 in Bilka for Danske Spil.

## 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.

Realfiction is also developing a **DeepFrame model for outdoor use** that makes it possible to project content over kilometer wide spaces. It will open up even more use cases within the experience and tourism industries as well as for ongoing construction projects.

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

## 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 Q3 AND Q1-Q3 2018

### Income Statement

Group net revenue amounts to TSEK 5,675 and 17,980 for Q3 and Q1-Q3 2018 respectively. This is a significant increase of 36% compared to Q3 and Q1-Q3 2017. The primary part of net revenue in Q3 and Q1-Q3 2018 consists of product sales from the Dreamoc and DeepFrame category, however we have seen increased sales from our MaaS concept in Q3 2018. Revenue in Q3 2018 was slightly lower than in the previous 2 quarters, which is due to lower client activity in the summer holiday season of July and August. Revenue grew again in September, and has continued the positive path since then.

Cost of goods sold amounts to TSEK 2,788 and 9,674 for Q3 and Q1-Q3 2018, compared to TSEK 2,335 and 7,059 for Q3 and Q1-Q3 2017.

Thus our gross profit in Q3 2018 increased to TSEK 2,887 from 1,830 in Q3 2017 and resulted in an increased gross profit margin in Q3 2018 of 50.9% compared to 43.9% in Q3 2017. The significant increase is primarily attributable to the increase in sales from our MaaS concept.

Other external costs decreased to TSEK 1,870 in Q3, 2018 compared to 2,269 in Q3, 2017, while showing an increase to TSEK 7,611 in Q1-Q3, 2018 from 6,891 in Q1-Q3, 2017. The decrease from Q3, 2017 to Q3, 2018 is due to decreased development expenditure.

Personnel costs are at a high level in Q3 and Q1-Q3 2018 due to onboarding of sales resources and continuous investments in product and market development, which for the larger part take place in the beginning of the year. Realfiction expects to continue these investments, but as part of the journey towards becoming a more mature company, and because annual investments related to innovation and development have reached an annual level of MSEK 2.5 to 3.5, processes and procedures will be adjusted to allow for further separation and capitalization of development projects in accordance with the capitalization accounting principle. Realfiction expects

to change the accounting principle in the 2018 Annual Report, but in this Q3 report, the present cost principle is maintained.

Other income as presented in a separate line item consisting of development grants, rent and subsidies amount to TSEK 912 in Q3 and 1,133 in Q1-Q3 2018 compared to TSEK 195 and 1,079 in Q3 and Q1-Q3 2017. Group net financial costs consist of interest on the loan with Vækstfonden.

The net result for the Group in Q3 and Q1-Q3 2018 amounts to TSEK -1,505 and -8,723 compared to TSEK -2,015 and -5,676 in Q3 and Q1-Q3 2017.

### Balance Sheet

Realfiction's total assets at 30 September 2018 amounts to TSEK 17,932. Inventory at 30 September 2018 amounts to TSEK 10,714. The increase in inventory compared to 30 September and 31 December 2017 is a result of preparing the capacity to the increased sales and rental forecast to support the new "STEP-UP-2019" strategy as presented in a press release and at a webinar on 27 November.

Trade receivables remain higher than last year due to the increase in sales during Q3 2018.

Other short-term receivables and tax receivable

increased to TSEK 2,563 and 1,527 (of which 622 is included in other long-term receivables) at 30 September 2018, due to a temporary delay in refund of VAT, expected refund of tax in Denmark in 2019 and grants receivable. VAT and grants have been received in November 2018.

Net interest-bearing debt decreased due to payment of planned instalments to Vækstfonden.

The Group's solvency ratio at 30 September 2018 was 44,2% compared to 62.2% of 31 December 2017.

### Investments

There were no significant investments in non-current assets in the period, as Realfiction continues to expense development projects, as per the information in the Income Statement section.

### Cash Flow and Liquidity

Realfiction's liquid funds and cash equivalents at 30 September 2018 amounts to TSEK 506. Cash flow from operating activities for Q3 and Q1-Q3 2018 amounts to TSEK -4,609 and -15,512 compared to TSEK -2,882 and -7,386 for Q3 and Q1-Q3 2017. Cash flow for the three and nine-month periods are negatively impacted by the increase in inventory as described above. The additional inventory will have a positive impact in the future cash-flows as products



in inventory are gradually sold and paid.

As informed in the section “Significant events after the end of the period”, on 4 October 2018, Realfiction secured funding of MSEK 6.1 to allow the first part of its “STEP-UP-2019” strategy to be carried out.

Options for further capitalization required for part two of the “STEP-UP 2019” strategy are being considered for execution in H1-19.

### 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. 30 September 2018, 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 2017 Annual Report.

## OWNERSHIP STRUCTURE

The table below shows key shareholders in Realfiction Holding AB at 30 September 2018.

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 (förvalter)	790,525	7,61
Other shareholders (more than 1,000)	3,463,025	29,77
<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.

### Audit review

The interim Report has not been audited or reviewed by the Company's independent auditors. The Annual Report 2017 for Realfiction ApS and Realfiction AB 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.

### Future financial reports:

Year End report 2018: 21 March, 2019

### 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 Q3 Interim Report 2018 presents a fair view of the financial position of the Company at 30 September 2018 as well as of the results of the group operations and cash flows for the periods 1 April - 30 September 2018 and 1 January - 30 September 2018.*

**Helsingborg, 29 November 2018**  
**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 November 2018.

# Financial Highlights and Key Ratios

## Selected Financial Highlights and Key Ratios – Group

SEK '000	Q3-2018 01-07-2018 -30-09-2018 3 months	Q3-2017 01-07-2017 -30-09-2017 3 months	Q1-Q3-2018 01-01-2018 -30-09-2018 9 months	Q1-Q3-2017 01-01-2017 -30-09-2017 9 months	2017 01-01-2017 -31-12-2017 12 months
Net revenue	5,675	4,165	17,980	12,995	16,319
Gross profit	2,887	1,830	8,306	5,936	7,474
Result after financial items	-1,505	-2,144	-9,344	-5,934	-10,226
Total Assets	17,932	27,806	17,932	27,806	26,084
Cash flow from operating activities	-4,609	-2,882	-15,512	-7,386	-9,752
Cash at bank and in hand	506	19,948	506	19,948	17,137
Solvency ratio (%)	44.2	69.8	44.2	69.8	62.2
Average number of employees	16	11	15	11	12
Gross profit margin	50.9%	43.9%	46.2%	45.7%	45.8%
Earnings per share (SEK)	-0.13	-0.17	-0.75	-0.60	-0.87
Average number of shares	11,633,135	11,633,135	11,633,135	9,488,195	10,028,838

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

## Income Statement (condensed) – Group

SEK '000	Q3-2018 01-07-2018 -30-09-2018 3 months	Q3-2017 01-07-2017 -30-09-2017 3 months	Q1-Q3-2018 01-01-2018 -30-09-2018 9 months	Q1-Q3-2017 01-01-2017 -30-09-2017 9 months	2017 01-01-2017 -31-12-2017 12 months
Net revenue	5,675	4,165	17,980	12,995	16,319
Cost of goods sold	-2,788	-2,335	-9,674	-7,059	-8,845
<b>Gross profit</b>	<b>2,887</b>	<b>1,830</b>	<b>8,306</b>	<b>5,936</b>	<b>7,474</b>
Other external costs *	-1,870	-2,269	-7,611	-6,891	-10,338
Personnel costs	-3,090	-1,752	-10,393	-5,593	-8,351
Depreciation of current assets & non-current assets	-46	-6	-101	-6	-18
Other income *	912	195	1,133	1,079	1,274
<b>Operating result</b>	<b>-1,207</b>	<b>-2,002</b>	<b>-8,666</b>	<b>-5,475</b>	<b>-9,959</b>
Other financial income	40	0	188	0	0
Other financial costs	-338	-142	-866	-459	-267
<b>Result after financial items</b>	<b>-1,505</b>	<b>-2,144</b>	<b>-9,344</b>	<b>-5,934</b>	<b>-10,226</b>
Tax on the profit of the period	0	129	621	258	1,497
<b>Net result for the period</b>	<b>-1,505</b>	<b>-2,015</b>	<b>-8,723</b>	<b>-5,676</b>	<b>-8,729</b>

\*) Other income in periods prior to Q3-2018 has been reclassified from "Other external costs" to a separate line item titled "Other income".

## Balance Sheet (condensed) - Group

SEK '000	30-09-2018	30-09-2017	31-12-2017
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Tangible assets</b>			
Other property, plant and equipment	351	146	163
<b>Total tangible assets</b>	<b>351</b>	<b>146</b>	<b>163</b>
Other long-term receivables	877	228	237
<b>Total financial assets</b>	<b>877</b>	<b>228</b>	<b>237</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,228</b>	<b>374</b>	<b>400</b>
<b>Current assets</b>			
Inventories	10,714	4,618	4,804
<b>Total inventories</b>	<b>10,714</b>	<b>4,618</b>	<b>4,804</b>
Trade receivables	2,016	874	460
Other short-term receivables	2,563	1,074	2,417
Tax receivable	905	918	866
<b>Total short-term receivables</b>	<b>5,484</b>	<b>2,866</b>	<b>3,743</b>
<b>Cash at bank and in hand</b>	<b>506*</b>	<b>19,948</b>	<b>17,137</b>
<b>TOTAL CURRENT ASSETS</b>	<b>16,704</b>	<b>27,432</b>	<b>25,684</b>
<b>TOTAL ASSETS</b>	<b>17,932</b>	<b>27,806</b>	<b>26,084</b>
<b>Liabilities and Equity</b>			
<b>Equity</b>			
Share capital	1,163	1,163	1,163
Other reserves incl. retained earnings	6,765	18,250	15,060
<b>TOTAL EQUITY</b>	<b>7,928</b>	<b>19,413</b>	<b>16,223</b>
Credit institutions	2,539	4,167	3,799
<b>Non-current liabilities</b>	<b>2,539</b>	<b>4,167</b>	<b>3,799</b>
Short-term of non-current liabilities	1,819	1,494	1,587
Trade payables	2,461	679	1,816
Other payables	3,185	2,053	2,659
<b>Total current liabilities</b>	<b>7,465</b>	<b>4,226</b>	<b>6,062</b>
<b>TOTAL LIABILITIES</b>	<b>10,004</b>	<b>8,393</b>	<b>9,861</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>17,932</b>	<b>27,806</b>	<b>26,084</b>

\*As informed in the section "Significant events after the end of the period", on 4 October 2018, Realfiction has secured funding of MSEK 6.1 to allow the first part of its "STEP-UP-2019" strategy to be carried out.



## Cash Flow Statement (condensed) – Group

SEK '000	Q3-2018 01-07-2018 -30-09-2018 3 months	Q3-2017 01-07-2017 -30-09-2017 3 months	Q1-Q3-2018 01-01-2018 -30-09-2018 9 months	Q1-Q3-2017 01-01-2017 -30-09-2017 9 months	2017 01-01-2017 -31-12-2017 12 months
<b>Operating result</b>	-1,207	-2,002	-8,666	-5,475	-9,959
Exchange adjustments	0	12	0	8	-78
Depreciation	46	6	101	6	18
<b>Operating result after exchange adjustments</b>	<b>-1,161</b>	<b>-1,984</b>	<b>-8,565</b>	<b>-5,461</b>	<b>-10,019</b>
<b>Operating activities</b>					
Change in trade receivables	-382	-53	-1,523	-431	-9
Change in inventories	231	480	-5,648	2,226	2,176
Change in other receivables	481	-151	-46	295	-1,188
Change in short-term part of long-term payables	0	0	11	469	542
Change in other payables	119	-598	535	625	1,179
Change in trade payables	-3,587	-434	316	-5,140	-3,999
<b>Cash flow from ordinary activities</b>	<b>-4,299</b>	<b>-2,740</b>	<b>-14,920</b>	<b>-7,417</b>	<b>-11,318</b>
Paid financial costs	-310	-142	-592	-459	-267
Tax payments	0	0	0	490	1,833
<b>Cash flow from operating activities</b>	<b>-4,609</b>	<b>-2,882</b>	<b>-15,512</b>	<b>-7,386</b>	<b>-9,752</b>
Purchase of financial assets	0	0	-7	-14	0
Purchase of tangible assets	0	-81	-277	-152	-181
<b>Cash flow from investing activities</b>	<b>0</b>	<b>-81</b>	<b>-284</b>	<b>-166</b>	<b>-181</b>
<b>Financing activities</b>					
Payment of long-term liabilities	-436	-374	-1,280	-1,211	-1,685
Share issue	0	0	0	24,552	24,596
<b>Cash flow from financing activities</b>	<b>-436</b>	<b>-374</b>	<b>-1,280</b>	<b>23,341</b>	<b>22,911</b>
<b>Cash flow for the period</b>	<b>-5,045</b>	<b>-3,337</b>	<b>-17,076</b>	<b>15,789</b>	<b>12,978</b>
<b>Cash and cash equivalents at period start</b>	<b>5,601</b>	<b>23,313</b>	<b>17,137</b>	<b>4,159</b>	<b>4,159</b>
Exchange rate recalculation difference – cash and cash equivalents	-50	-28	445	0	0
<b>Cash and cash equivalents at period end</b>	<b>506</b>	<b>19,948</b>	<b>506</b>	<b>19,948</b>	<b>17,137</b>

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

SEK '000	Q3-2018 01-07-2018 -30-09-2018 3 months	Q3-2017 01-07-2017 -30-09-2017 3 months	Q1-Q3-2018 01-01-2018 -30-09-2018 9 months	Q1-Q3-2017 01-01-2017 -30-09-2017 9 months	2017 01-01-2017 -31-12-2017 12 months
<b>Equity at period start</b>	<b>9,487</b>	<b>21,444</b>	<b>16,223</b>	<b>509</b>	<b>509</b>
Exchange adjustments	-54	-16	428	-26	-163
Share issues	0	0	0	27,408	27,408
Costs of share issue, (2 share issues)	0	0	0	-2,802	-2,802
Net result for the period	-1,505	-2,015	-8,723	-5,676	-8,729
<b>Equity at period end</b>	<b>7,928</b>	<b>19,413</b>	<b>7,928</b>	<b>19,413</b>	<b>16,223</b>

## Income Statement (condensed) – Parent company

SEK '000	01-07-2018 -30-09-2018 3 months	28-04-2017 -30-09-2017 Appr. 5 mth.	01-01-2018 -30-09-2018 9 months	28-04-2017 -30-09-2017 Appr. 5 mth.	28-04-2017- -31-12-2017 Appr. 8 mth.
Net revenue (group internal)	450	0	450	0	0
External costs	-254	-336	-893	-939	-1,001
Personnel costs	-126	0	-389	0	0
<b>Operating result</b>	<b>70</b>	<b>-336</b>	<b>-832</b>	<b>-939</b>	<b>-1,001</b>
Other financial income	49	125	53	119	306
Other financial costs	0	0	-4	0	-7
<b>Net result for the period</b>	<b>119</b>	<b>-211</b>	<b>-783</b>	<b>-820</b>	<b>-702</b>

## Balance Sheet (condensed) – Parent company

SEK '000	30-09-2018	30-09-2017	31-12-2017
<b>Non-current assets</b>			
<b>Financial assets</b>			
Shares in subsidiary	19,000	1,000	19,000
<b>Total financial assets</b>	<b>19,000</b>	<b>1,000</b>	<b>19,000</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>19,000</b>	<b>1,000</b>	<b>19,000</b>
<b>Current assets</b>			
Intercompany receivable	5,072	18,097	247
Other receivables	542	207	352
<b>Total short-term receivables</b>	<b>5,614</b>	<b>18,304</b>	<b>599</b>
<b>Cash at bank and in hand</b>	<b>10</b>	<b>5,755</b>	<b>5,401</b>
<b>TOTAL CURRENT ASSETS</b>	<b>5,624</b>	<b>24,059</b>	<b>6,000</b>
<b>TOTAL ASSETS</b>	<b>24,624</b>	<b>25,059</b>	<b>25,000</b>
<b>Liabilities and Equity</b>			
<b>Equity</b>			
Share capital	1,163	1,163	1,163
Other reserves	23,741	24,442	24,442
Net result of the period	-783	-820	-702
<b>TOTAL EQUITY</b>	<b>24,121</b>	<b>24,785</b>	<b>24,903</b>
Trade payables	19	3	2
Other payables	484	271	95
<b>Total short-term liabilities</b>	<b>503</b>	<b>274</b>	<b>97</b>
<b>TOTAL LIABILITIES</b>	<b>503</b>	<b>274</b>	<b>97</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,624</b>	<b>25,059</b>	<b>25,000</b>