

## Interim Report January–June 2020

### ChromoGenics adopts a position for accelerated growth

#### Q2 2020

- Net sales for the period amounted to SEK 4.0 (12.5) million, and earnings amounted to SEK -18.9 (-18.3) million, which corresponds to earnings per share of SEK - 0.03 (-0.11).
- ChromoGenics continued to be affected by the coronavirus pandemic during the second quarter, which resulted in delayed orders from the company's customers. Order intake and invoicing have been postponed in 2020. Net sales in the current year are therefore expected to be lower than net sales in 2019. An action program to reduce the company's operating costs was initiated at the beginning of April. The cost savings will have the greatest affect in the third quarter. Under the program, ten positions were terminated as of June 30, and 70 percent of the staff were furloughed in Q2 2020, with work time reduced to 40 per cent.
- Operating profit amounted to SEK -15.5 (-17.6) million, which is an improvement of SEK 2.1 million compared to the corresponding period in 2019.
- Cash and cash equivalents amounted to SEK 36.1 (14.9) million on June 30, 2020.
- The installation of two sputtering machines in the company's premises in Uppsala has been completed, and the machines are fundamental for the company's future operations. The next step is to verify, adjust and finetune the manufacturing process to the accompanying control system. The staff that are working on this have not been furloughed or terminated.
- The Annual General Meeting of ChromoGenics AB (publ) resolved on May 14, 2020, to carry out a 1:100 reverse stock split, which means that one hundred (100) shares will be merged to create one (1) new share.
- During Q2, orders of SEK 4.7 million were received from Kraftstaden in Trollhättan and Humlegården and Kungsleden in Stockholm. Order volume for Q3 2020 amounts to SEK 9.7 (25,4) million.

	2020	2019	2020	2019	2019
<i>SEK million</i>	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	4,0	12,5	9,2	23,2	45,2
EBITDA	-14,0	-15,6	-31,0	-29,2	-67,0
Net income	-18,9	-18,3	-38,4	-34,6	-77,9
EPS before dilution, SEK	-0,03	-0,11	-0,07	-0,29	-0,34
EPS after dilution, SEK	-0,03	-0,11	-0,07	-0,29	-0,34
Cash and bank end of the period	36,1	14,9	36,1	14,9	24,9

#### Events after the end of the period

- During the month of July, the furloughs expired at ChromoGenics due to the summer vacation period. The furloughs, which have been ongoing since April 1, 2020, reduced the working hours of 70 percent of the staff to 40 percent.
- On August 17, Jerker Lundgren stepped down as CEO and Leif Ljungqvist was named the new CEO of ChromoGenics.
- August 18 was the record day for the 1:100 reverse stock split, through which one hundred shares were merged to create one share. The reverse stock split decreased the total number of shares from 707,334,300 to 7,073,343.

# ChromoGenics

## Comments from the CEO

As the newly appointed CEO, I am looking forward to the task of, together with all of the competent people at ChromoGenics, creating the conditions for improved sales, with a goal of positive earnings. It will be very exciting to help bring technology developed in Sweden within Clean Tech to a market that has long requested the kind of products we can deliver.

One of the keys for success are our sputtering machines, which create conditions for building stable industrial quality and significant volume growth within the construction and real estate industry. Through our qualified sputtering machines, ChromoGenics gains its own primary sputtering capacity under its own quality assurance. This will serve as the foundation for the company's dynamic products. By investing in its own sputtering machines, ChromoGenics will be able to control the entire production process, which creates conditions for developing into the natural first choice for the central component in the dynamic glass of the future. We are thereby creating a stable industrial structure with a focus on delivery of laminated performance glass and cooperation with a geographically diverse range of partners. We can thereby also create the conditions for efficient transports of heavy glass and reduce the environmental impact of distribution as well.

The schedule for the installation of the sputtering machines was negatively impacted as of March when a number of foreign consultants were called home due to the ongoing coronavirus pandemic. However, the installation process in the second quarter proceeded largely according to plan, and the first machine has been installed. Our own staff played a large role in saving some time during the spring through their own efforts. The coronavirus pandemic is creating challenges, though, through travel restrictions for our foreign consultants, who are needed to deploy the machines.

A lot of focus is now being placed on adjusting and anchoring the production process line with the concept of surface coating plastic film using a roll-to-roll process. It is estimated that the adjustment of the process for wolfram oxide will be completed in November and the corresponding adjustment for nickel oxide in December. ChromoGenics' investment in its own sputtering machines makes it possible to improve the gross margin and significantly improve the stability of the quality and sustainability of our entire production process from an environmental perspective.

The gigantic and impressive machines have considerable production capacity for applying metal and oxide coatings to the outermost nanothin layer and creates several different possible alternatives and business opportunities for applications other than laminated glass. Since we currently have a relatively low volume need for sputtered film as an input product for the manufacturing of dynamic glass, there is a significant overcapacity in our machines, which could open for possibilities of establishing multiple income sources for example in the Nordic market for medical technology and electronics.

A number of our customers are large, well-known construction companies and property owners who place repeat orders. The large orders expected in the spring/summer of 2020 have been delayed, which has pushed the company's order intake and invoicing to later in the current year. The order backlog amounted to SEK 9.7 million at the mid-year point. ChromoGenics' net sales in 2020 are therefore expected to be lower than net sales for full-year 2019. Despite the difficult situation due to the coronavirus, we receive questions daily about our products, which means that the market is increasingly becoming aware of the glass technology ChromoGenics has developed. The key to ChromoGenics' success is gaining customers' trust for our unique offer in performance glass for buildings.

The company works constantly to meet customer demands on function, quality, environmental gains, and property-related financial gains. This is what holds the operations together and is a determining factor in ChromoGenics' future development. The objective is to start an ISO certification process during the first half of 2021.

The second quarter started with the introduction of an action program that aims to keep operating costs down. As of April 1, 70 percent of our staff have been working 40 percent of their normal hours, and some employees unfortunately had to leave the company. We have also reviewed agreements and costs while also strengthening the quality organization with new procedures. Staff working with the deployment of the sputtering machines have been working full time for the entire period.

Leif Ljungqvist, CEO

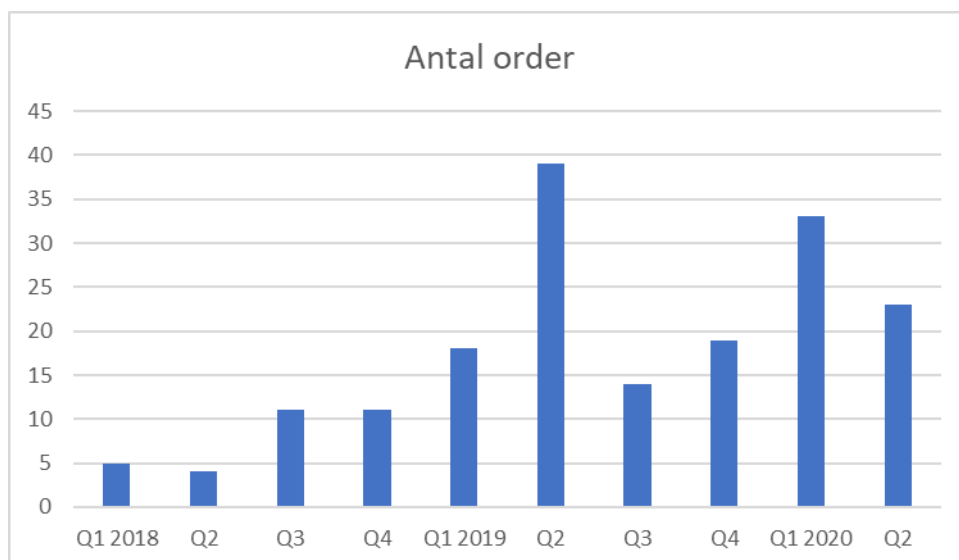
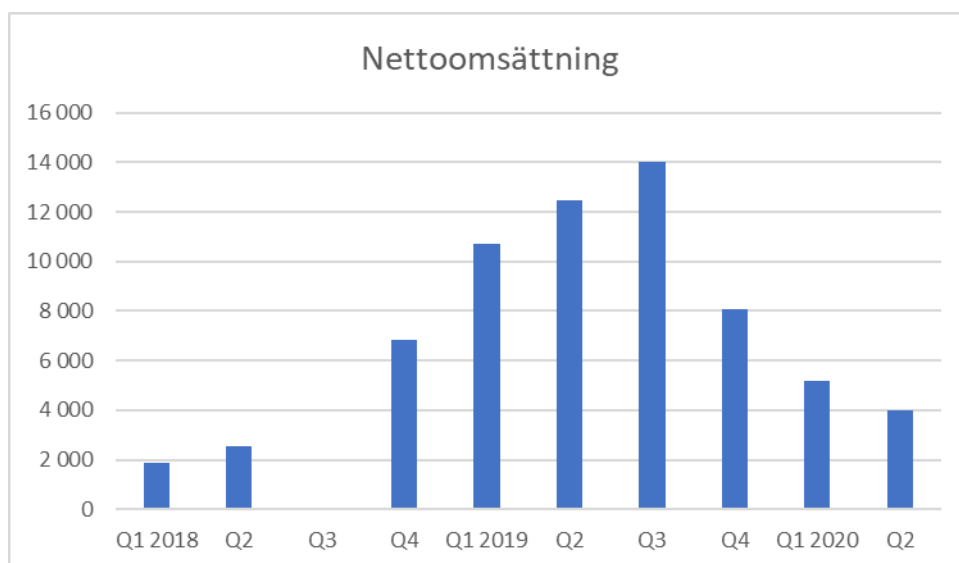
# ChromoGenics

This report comments on the development for the period April–June 2020 compared to the same period in 2019 unless otherwise stated.

## Net sales

ChromoGenics' net sales for Q2 2020 amounted to SEK 4.0 (12.5) million. Income decreased primarily due to the insufficient production quality of previously purchased electrochromic film, which meant there was not enough production material to produce and deliver goods to customers. We had already identified this effect when we were forced at the end of March to lower the forecast for the year at the same time as the coronavirus pandemic was affecting order intake. There were around thirty (30) ongoing projects in the past quarter, with dynamic products representing SEK 1.2 (9.3) million, or a share of around 31 percent of net sales, with the static products representing SEK 2.8 (3.2) million, or a share of 69 percent of net sales.

KSEK



Work performed by the company for its own use and capitalized amounted to SEK 0.6 (0.0) million and refers to the installation work by in-house staff on the new sputtering machines.

Other operating income amounted to SEK 2.9 (1.0) million and consists of funding from, for example, the R&D program Switch2Save within Horizon 2020, which is financed by the EU, and other public funding, such as furlough subsidies of SEK 1.8 million and positive currency effects.

## Cost development

The savings program initiated in April has had an effect through a decreased cost level in the second quarter. The main effect will be evident first in the third quarter through the reduction of in-house staff, temporary staff, and external consultants.

During Q2 2020, the business has primarily been focused on rectifying the quality problems related to sputtered film from a subcontractor that were intended for the manufacture of the dynamic glass through testing of material components. At the same time, the installation of ChromoGenics' own sputtering machines has created conditions for controlling the entire production process and possessing sputtered film that has been manufactured in-house. Time has been spent testing the function and sustainability.

Costs for raw materials and consumables amounted to SEK 4.8 million in the second quarter of the year compared to SEK 12.3 million for the corresponding period in 2019. These costs are related to quality-assured production material consumed when manufacturing the dynamic products and material and hired subcontractors for the static products.

Material consumption has decreased due to the lower volume of delivered dynamic products. This has had a positive impact on costs of around SEK 4.7 million due to a decrease in pure material consumption and less scrapping compared to the corresponding quarter in 2019. No additional reserves for redeliveries in previously delivered projects were made this quarter, although SEK 0.2 (0.9) million has been utilized. The remaining reserve for redeliveries amounted at the end of the period to SEK 8.1 (9.2) million. The decrease in net sales of the static products during the second quarter of the year reduced the costs for material consumed and hired subcontractors by around SEK 1.0 million.

Other external costs amounted to SEK 8.5 (9.5) million. The cost savings during the quarter are primarily attributable to a lower number of temporary staff and consultant services as well as decreased travel.

Personnel costs in Q2 2020 amounted to SEK 6.9 million compared to SEK 7.3 million the previous year. The average number of employees decreased by 2 during the period and amounted to 36 (34). The lower cost in 2020 is explained primarily by the reduced employer's contribution that companies were offered due to the coronavirus pandemic.

Depreciation/amortization and impairment of fixed assets amounted to SEK 1.5 (2.0) million. The decrease is primarily due to some intangible assets being fully amortized and thus are not included in the amortization amount for Q2 2020.

ChromoGenics' operating profit for the second quarter of the year amounted to SEK -15.5 (-17.6) million.

Net financial items for April–June 2020 amounted to SEK -3.4 (-0.7) million and are primarily related to interest expenses for the loan from the Swedish Energy Agency.

The tax expense for the period amounted to SEK 0 (0) million.

Profit/loss for the period thus amounted to SEK -18.9 (-18.3) million.

## Cash flow and financial position

Cash flow from operating activities including a change in working capital amounted to SEK -19.4 (28.2) million in the second quarter of the year.

# ChromoGenics

Net cash flow from investing activities amounted to SEK -10.5 (-56.4) million in Q1 2020. The investments amounted to SEK -5.5 million and are primarily related to the ongoing installation of the new sputtering machines within the production process. In the second quarter, the company received a promise of long-term EU funding of SEK 4.8 million.

Net cash flow from financing activities amounted to SEK 4.8 (0.0) million in Q2 2020. The preferential share issue completed on March 4, 2020, brought in SEK 62.7 million net to the company after issue expenses. In Q1 2019, the company conducted a preferential share issue that resulted in a capital contribution of SEK 63.2 million net after issue expenses.

Cash flow for the period amounted to SEK -25.1 million compared to SEK -28.2 million for the corresponding period in 2019.

Cash and cash equivalents amounted to SEK 36.1 million as per June 30, 2020, compared to SEK 24.9 million on December 31, 2019, and SEK 14.9 million on June 30, 2019.

The balance sheet total amounted to SEK 156.9 (194.3) million, a decrease of SEK 37.4 million in twelve months. Fixed assets increased by SEK 68.6 million compared to March 31, 2019, primarily due to the ongoing investment into new sputtering machines. Among current assets, accounts receivable and current receivables decreased by SEK 0.9 million due to the decrease in sales the past quarter.

Equity on March 31, 2020, amounted to SEK 85.8 million after the most recent share issue was registered. Restricted equity amounted to SEK 142.2 million, and unrestricted equity amounted to SEK -56.4 million. For the same period in 2019, equity amounted to SEK 6.9 million.

Among the company's liabilities are two conditional loans to the Swedish Energy Agency of SEK 48.7 million and SEK 0.8 million, which, according to the loan agreement and the regulations set out in the Companies Act (Chapter 25, section 14), do not need to be included upon preparation of a balance sheet for liquidation purposes. Adjusted equity amounted to SEK 116.3 million as at June 30, 2020, compared to SEK 92.1 million at the beginning of the year.

## Investments

Investments in Q1 2020 amounted to SEK -5.5 (-56.4) million and refer to the ongoing installation of two new sputtering machines for production capacity in Uppsala and two smaller machines that will be used for tests and development work. The company's next stage of development is to reduce its production costs and simultaneously realize an increase in its production efficiency and quality. Sputtering is the main process in the production of the patented electrochromic film that serves as a basis for all of ChromoGenics' dynamic products.

## Employees

The average number of employees (FTEs) in Q2 2020 amounted to 36 (35). There were on average 42 employees (FTE), including temporary staffing and consultants, in Q2 2020, compared to 52 in Q1 2020. There were 36 employees on June 30, 2020, compared to 37 on June 30, 2019. Project-adapted production staff were hired from staffing firms for flexibility and for the installation of the new sputtering machines.

## Share capital

In February–March 2020, a preferential rights issue was completed that raised SEK 76.2 million for the company before issue expenses and SEK 62.7 million after issue expenses. The share issued increased the number of shares in ChromoGenics AB by 304,953,790 to 707,334,237.

In conjunction with the acquisition of the net assets of I-Window International AB in September

# ChromoGenics

2018, a directed share issue of 1,000,000 new shares was offered at a price of SEK 0.71/share to I-Window International AB. At the same time, 2,000,000 warrants were issued to I-Window International AB. After restatement, each warrant is entitled to subscription of 2.02 shares at a subscription price of SEK 0.99/share through December 31, 2021.

The Annual General Meeting resolved on May 14, 2020, to carry out a 1:100 reverse stock split, through which one hundred (100) shares will be merged to create one (1) new share. The reason for the reverse stock split is that ChromoGenics wants to reach a number of shares that is appropriate for the company.

On June 30, 2020, the registered share capital amounted to 141,466,855, represented by 707,334,237 shares, each with a quotient value of SEK 0.20. On August 4, the reduction in the share capital to SEK 1,414,669 was registered and the reverse stock split distributed between 7,073,343 shares. The new volume was traded on Nasdaq First North Growth Market as of August 17.

Recognized equity at the end of the period amounted to SEK 66.7 million compared to SEK 42.6 million as at December 31, 2019, and SEK 62.1 million as at June 30, 2019.

## Shareholders

Since March 23, 2017, ChromoGenics' shares and warrants have been traded on Nasdaq First North Stockholm with Erik Penser Bank AB as Certified Adviser as of December 2019.

The largest shareholders as at June 30, 2020 are presented below:

<b>Aktieägare per 2020-06-30</b>	<b>Ordinarie aktier</b>	<b>Röster och kapital</b>
Försäkringsaktiebolaget, Avanza Pension	46 003 084	6,50%
Clearstream Banking S.A. W8IMY	28 733 666	4,06%
RGG-ADM Gruppen	22 033 550	3,12%
Nordnet Pensionsförsäkring AB	15 709 085	2,22%
Dan Sandberg	12 499 563	1,77%
SEB Panki AS, NQI	12 000 000	1,70%
Castab AB	11 345 760	1,60%
Danske Bank International S.A.	10 319 390	1,46%
Staffan Falk	8 000 000	1,13%
Erik Skärgård	6 400 000	0,90%
ÖVRIGA	534 290 139	75,54%
<b>TOTALT</b>	<b>707 334 237</b>	<b>100,0%</b>

Source: Euroclear AB

According to Euroclear, there were 7,082 shareholders at the end of the period.

## Significant risks and uncertainty factors

The company is exposed to a number of financial risks: liquidity risk, credit risk and currency risk. The Board of Directors and the company's management team strive to manage these risks by on a regular basis identifying, evaluating and where appropriate offsetting and counteracting them. For more information, see [2019 Annual Report](#)

### *Liquidity risk*

Cash and cash equivalents amounted to SEK 36.1 million on June 30, 2020. The preferential share issue completed in February–March 2020 brought in net SEK 62.7 million.

ChromoGenics' future capital needs are determined by a large number of factors, such as the planned rate of expansion, product and process development, investment needs, and the company's sales development and achieved gross margins.

# ChromoGenics

The Board is reviewing on a continuous basis several conceivable scenarios, each of which has a different need for financing. Financing in turn can be raised from different sources and carried out in different ways depending on prevailing market conditions. The Board continues to see good possibilities for successfully securing long-term financing for the company. The goal is for customers and suppliers to view ChromoGenics as a stable company.

If the company's cash and cash equivalents do not cover the need for financing up until the point in time when the company achieves a positive cash flow from its operating activities, and if the company does not successfully secure long-term financing, there is a risk that this will ultimately lead to the winding down of the company.

## *Currency risk*

Currently, the significant portion of the company's sales are in SEK. If there are sales in USD, EUR and/or NOK, and these currencies appreciate against SEK, this will have a positive effect. A significant percentage of the material and process costs currently occur in USD and EUR and are translated/reported into SEK on payment days. If USD and/or EUR appreciates against SEK, this will have a negative effect on the company's costs. The company is thus directly dependent on the exchange rates of these currencies.

## *Employees*

ChromoGenics currently has an organization of approximately 30 employees, including temporary staff and consultants, and is dependent on a number of key staff members. A weak financial position and weak profitability during the company's growth phase can limit the possibility of recruiting and keeping key staff members.

## **Auditor's review**

This year-end report has not been audited by the company's auditor.

## **Calendar**

November 20, 2020	Interim Report January–September 2020
February 19, 2021	Year-End Report 2020
April 29, 2021	Annual Report 2020
May 19, 2021	Interim Report January–March 2021
May 20, 2021	Annual General Meeting 2021
August 26, 2021	Interim Report January–June 2021

The Board of Directors and CEO hereby confirm that the interim report provides a fair and accurate view of the company's operations, position and performance and describes the significant risks and uncertainty factors facing the company.

Uppsala, August 27, 2020

ChromoGenics AB (publ) CIN 556630-1809

Anders Brännström  
Board Member

Johan Hedin  
Chair of Board

Peter Gustafson  
Board Member

Claes-Göran Granqvist  
Board Member

Mari Broman  
Board Member

Andreas Jaeger  
Board Member

Leif Ljungqvist  
CEO

# ChromoGenics

**For more information, please contact:**

Leif Ljungqvist, CEO: +46 70 594 94 01

Lars Ericsson, CFO & Head of Communications: +46 70 549 76 44

[info@chromogenics.com](mailto:info@chromogenics.com)

Certified Adviser: Erik Penser Bank AB

**About ChromoGenics**

ChromoGenics offers dynamic glass that controls the conveyance of heat and light. The company's unique ConverLight™ technology offers sustainable solar protection for increased indoor comfort and energy efficiency. ConverLight® also helps properties meet environmental certification. Commercial sales to real estate projects in Scandinavia began in 2016.

ChromoGenics is based in Uppsala and is a spin-off from the world-class research at the Ångström Laboratory at Uppsala University. The company's production facilities have been financed in part by a conditional loan from the Swedish Energy Agency. ChromoGenics' share (CHRO) is listed on Nasdaq First North Growth Market, and Erik Penser Bank AB is the Certified Adviser.

[www.chromogenics.com/sv/](http://www.chromogenics.com/sv/)



## **Table of Contents for the financial statements and other notes:**

**Income Statement**

**Balance Sheet**

**Statement of Cash Flows**

**Statement of Changes in Equity**

**Note 1 Accounting and Measurement Principles**

**Note 2 Employee Share-Option Plan**

**Note 3 Shares**

**Note 4 Transactions with Related Parties**

**Note 5 Pledged Assets and Contingent Liabilities**

**Income Statement per Individual Quarter**

**Statement of Cash Flows per Individual Quarter**

## Income Statement

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales	3 994	12 481	9 188	23 193	45 248
Change in inventories of products in progress	-1 261	131	-1 575	-3 445	-9 886
Capitalized own work	614	0	1 572	0	1 124
Other operating income	2 857	1 006	3 711	1 360	3 405
<b>Gross operating income</b>	<b>6 204</b>	<b>13 618</b>	<b>12 896</b>	<b>21 108</b>	<b>39 891</b>
Raw materials and consumables used	-4 796	-12 315	-11 115	-19 356	-39 706
Other external costs	-8 485	-9 500	-18 042	-17 374	-38 383
Personnel costs	-6 894	-7 301	-14 534	-13 273	-27 326
Depreciation of intangible assets and tangible assets	-1 492	-1 976	-3 179	-3 953	-7 925
Other operating expenses	-24	-105	-232	-276	-1 448
<b>Total operating expenses</b>	<b>-21 691</b>	<b>-31 197</b>	<b>-47 102</b>	<b>-54 232</b>	<b>-114 788</b>
<b>Operating income</b>	<b>-15 487</b>	<b>-17 579</b>	<b>-34 206</b>	<b>-33 124</b>	<b>-74 897</b>
Interest income	29	5	37	5	46
Interest expenses	-3 481	-685	-4 249	-1 477	-3 001
<b>Total result of financial items</b>	<b>-3 452</b>	<b>-680</b>	<b>-4 212</b>	<b>-1 472</b>	<b>-2 955</b>
<b>Operating income after financial items</b>	<b>-18 939</b>	<b>-18 259</b>	<b>-38 418</b>	<b>-34 596</b>	<b>-77 852</b>
Tax	0	0	0	0	0
<b>Net income</b>	<b>-18 939</b>	<b>-18 259</b>	<b>-38 418</b>	<b>-34 596</b>	<b>-77 852</b>

## Balance Sheet

KSEK	2020 30-Jun	2020 31-Mar	2019 31-Dec	2019 30-Sep	2019 30-Jun
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Intangible assets	6 411	6 982	7 703	8 710	9 676
Property, plant and equipment	85 512	80 925	74 341	66 765	63 920
Financial assets	4 975	0	0	0	150
<b>Total non-current assets</b>	<b>96 898</b>	<b>87 907</b>	<b>82 044</b>	<b>75 475</b>	<b>73 746</b>
<b>Current Assets</b>					
Inventories and work in progress	8 462	10 725	6 749	7 498	9 409
Trade receivables	3 211	5 575	7 314	8 517	9 190
Other current receivables	12 214	10 485	11 097	16 102	87 104
Cash and cash equivalents	36 120	61 227	24 850	48 223	14 850
<b>Total current assets</b>	<b>60 007</b>	<b>88 012</b>	<b>50 010</b>	<b>80 340</b>	<b>120 553</b>
<b>TOTAL ASSETS</b>	<b>156 905</b>	<b>175 919</b>	<b>132 054</b>	<b>155 815</b>	<b>194 299</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<i>Restricted equity</i>					
Share capital	1 415	141 467	80 476	80 476	63 919
Fund, development expenses	738	738	738	795	795
<i>Non-restricted equity</i>					
Share premium reserve	573 736	433 875	432 158	431 820	424 927
Accumulated profit/loss	-470 766	-470 766	-392 914	-392 971	-392 970
Operating income for the period	-38 418	-19 479	-77 852	-54 618	-34 596
<b>Total equity</b>	<b>66 705</b>	<b>85 835</b>	<b>42 606</b>	<b>65 502</b>	<b>62 075</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current interest-bearing liabilities <sup>1)</sup>	45 814	47 760	47 760	49 327	49 327
EU contribution	4 975	-	-	-	-
<b>Total non-current liabilities</b>	<b>50 789</b>	<b>47 760</b>	<b>47 760</b>	<b>49 327</b>	<b>49 327</b>
<b>Current liabilities</b>					
Current interest-bearing liabilities <sup>1)</sup>	3 789	1 843	1 843	343	343
Trade payables	12 649	19 819	21 591	25 736	64 967
Other current liabilities	22 973	20 662	18 254	14 907	17 587
<b>Total current liabilities</b>	<b>39 411</b>	<b>42 324</b>	<b>41 688</b>	<b>40 986</b>	<b>82 897</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>156 905</b>	<b>175 919</b>	<b>132 054</b>	<b>155 815</b>	<b>194 299</b>

<sup>1)</sup> Refers to soft loans from the Swedish Energy Agency.

## Statement of Cash Flows

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
<b>OPERATING ACTIVITIES</b>					
Profit/loss before tax	-15 487	-17 579	-34 206	-33 124	-74 897
Financial income and expenses	-3 451	-681	-4 212	-1 473	-2 956
<i>Adjustments for non-cash items:</i>					
Capital gain sold fixed assets	-5	-	-5	-	-
Depreciation/amortization and impairment	1 492	1 976	3 179	3 954	7 925
<b>Cash flow from operating activities before changes in working capital</b>	<b>-17 451</b>	<b>-16 284</b>	<b>-35 244</b>	<b>-30 643</b>	<b>-69 928</b>
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	2 263	-2 392	-1 713	-1 989	671
Increase(-)/decrease(+) trade receivables	2 305	-2 929	4 103	-5 761	-3 943
Increase(-)/decrease(+) current receivables	-363	-3 097	-484	-7 067	-4 114
Increase(+)/decrease(-) trade payables	-7 170	52 557	-8 942	59 019	15 658
Increase(+)/decrease(-) current liabilities <sup>1)</sup>	1 003	366	4 086	-242	101
<b>Cash flow from changes in working capital</b>	<b>-1 962</b>	<b>44 505</b>	<b>-2 950</b>	<b>43 960</b>	<b>8 373</b>
<b>Cash flow from operating activities</b>	<b>-19 413</b>	<b>28 221</b>	<b>-38 194</b>	<b>13 317</b>	<b>-61 555</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of property, plant and equipment and intangible assets	-5 543	-56 395	-13 093	-56 540	-68 959
Sale of property, plant and equipment	40	0	40	0	150
Acquisition long-term receivable	-4 975	-	-4 975	-	-
<b>Cash flow from investing activities</b>	<b>-10 478</b>	<b>-56 395</b>	<b>-18 028</b>	<b>-56 540</b>	<b>-68 809</b>
<b>FINANCING ACTIVITIES</b>					
New share issue	-191	0	62 517	63 152	160 360
Borrowings	0	0	0	0	0
EU contribution	4 975	-	4 975	-	-
Repayment of debt	0	0	0	-12 600	-12 667
<b>Cash flow from financing activities</b>	<b>4 784</b>	<b>0</b>	<b>67 492</b>	<b>50 552</b>	<b>147 693</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-25 107</b>	<b>-28 174</b>	<b>11 270</b>	<b>7 329</b>	<b>17 329</b>
<b>CASH AND CASH EQUIVALENTS AT START OF THE PERIOD</b>	<b>61 227</b>	<b>43 024</b>	<b>24 850</b>	<b>7 521</b>	<b>7 521</b>

## Statement of changes in equity

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
<b>Equity 1 Jan 2019</b>	<b>8 638</b>	<b>795</b>	<b>343 636</b>	<b>-392 971</b>	<b>-39 902</b>
New share issues	71 838	-	122 937	-	194 775
New share issue fees	-	-	-34 415	-	-34 415
Fund for development expenses	-	-57	-	57	0
Operating income for the period	-	-	-	-77 852	-77 852
<b>Equity 31 Dec 2019</b>	<b>80 476</b>	<b>738</b>	<b>432 159</b>	<b>-470 767</b>	<b>42 606</b>

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
<b>Equity 1 Jan 2020</b>	<b>80 476</b>	<b>738</b>	<b>432 159</b>	<b>-470 767</b>	<b>42 606</b>
New share issues	60 991	-	15 247	-	76 238
New share issue fees	-	-	-13 721	-	-13 721
Fund for development expenses	-	-	-	0	0
Decrease of share capital	-140 052	-	140 052	-	0
Operating income for the period	-	-	-	-38 418	-38 418
<b>Equity 30 Jun 2020</b>	<b>1 415</b>	<b>738</b>	<b>573 737</b>	<b>-509 185</b>	<b>66 705</b>

Among the company's liabilities is a soft loan from the Swedish Energy Agency which, according to the loan agreement and the regulations set out in the Swedish Companies Act (25:14), may be eliminated upon preparation of a balance sheet for liquidation purposes. The utilized soft loan from the Swedish Energy Agency amounted to SEK 49.6 million. Equity taking into account the soft loan, i.e. adjusted equity, amounted to SEK 116.3 million as per June 30, 2020 and SEK 92.1 million as per December 31, 2019.

## Notes

### Note 1, Accounting principles

ChromoGenics prepares its annual accounts in accordance with the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board set out in BFNAR 2012:1, Annual Accounts and Consolidated Accounts (K3). The accounting principles have not changed compared to the previous year. According to Note 1 in the Annual Report 2019 stated the company has chosen to change Income Statement to classified by nature of expense due to the Financial Reports will contain more reliable and relevant information of the effects of the company's transactions. The change has applied retroactive and previous year's comprehensive numbers has been recalculated. No effect on year 2019 figures.

### Note 2, Warrant programs

Allocation date	Maturity date	Total number of warrants	Purchase price SEK	Redemption price SEK	Open. balance no of warrants 2018-01-01	Redeemed	Matured	Close. Bal. no of warrants 2020-06-30
2015-07-23 <sup>1)</sup>	2020-06-30	7 963	0,00	2,67	7 963	0	0	7 963
2018-09-03 <sup>2)</sup>	2021-12-31	2 000 000	0,00	0,99	2 000 000	0	0	2 000 000
<b>Total</b>					<b>2 007 963</b>	<b>0</b>	<b>0</b>	<b>2 007 963</b>

<sup>1)</sup> Warrant program are part of a unit issue with the right to subscribe to one share and one warrant that targets key staff and some owners and deviates from the shareholders' preferential rights.

<sup>1)</sup> As a result of the rights issue in January 2018, February and July 2019 the warrants have been recalculated so that each warrant entitles to subscription of 1,25 share to a redemption price of 2,67 SEK before the respective maturity dates. (earlier 1 share to redemption price of 5,40 SEK)

<sup>2)</sup> In connection with the acquisition of the net assets of I-window International AB, 2,000,000 warrants were issued to I-window International AB. As a result of the rights issue as above the warrants have been recalculated so that each warrant entitles to subscription of 2,02 share to a redemption price of 0,99 SEK as per 30 June 2020 and matures on December 31, 2021. After reverse split of the share the redemption price for the warrant is 99,18 SEK/share.

### Note 3, Shares

Year	Event	No of shares	Total no of shares	Nominal value, SEK	Share capital SEK	Share premium reserve	Statutory reserve	Record date
2016	New share issue	3 703 704	13 524 182	0,1	1 352 418	9 629 631		2016-06-10
2016	New share issue	1 400 397	14 924 579	0,1	1 492 458	3 641 032		2016-06-15
2016	New share issue	2 921 472	17 846 051	0,1	1 784 605	7 595 827		2016-11-16
2016	Exercising of warrants	982 602	18 828 653	0,1	1 882 865	2 554 765		2016-11-17
2017	2:1 reversed split	-9 414 327	9 414 326	0,2	1 882 865			2017-01-20
2017	New share issue	12 677 040	22 091 366	0,2	4 418 273	105 219 432		2017-03-20
2017	New share issue	1 122 960	23 214 326	0,2	4 642 865	9 320 568		2017-04-07
2018	Rights issue	18 974 669	42 188 995	0,2	8 437 799	29 410 737		2018-02-21
2018	Directed share issue	1 000 000	43 188 995	0,2	8 637 799	613 059		2018-09-12
2019	Rights issue	129 566 985	172 755 980	0,2	34 551 196	37 238 891		2019-03-15
2019	Rights issue	172 755 980	345 511 960	0,2	69 102 392	31 999 942		2019-08-12
2019	Directed share issue	18 867 924	364 379 884	0,2	72 875 977	6 226 415		2019-08-30
2019	Set-Off issue	10 372 884	374 752 768	0,2	74 950 554	3 111 865		2019-09-02
2019	Set-Off issue	27 627 679	402 380 447	0,2	80 476 089	9 945 964		2019-09-20
2020	Rights issue	304 953 790	707 334 237	0,2	141 466 847	1 717 036		2020-03-30
2020	100:1 reversed split	-700 260 894	7 073 343	0,2	1 414 669	139 860 949		2020-08-04
<b>Total</b>			<b>7 073 343</b>	<b>0,2</b>	<b>1 414 669</b>	<b>573 735 932</b>		

#### Share development during the year

In June-August 2019, a rights issue was performed on a 1-1 basis to a share price of 0.50 SEK/share. The rights issue brought 172,755,980 new shares to the company. The rights issue was registered on August 12, 2019. After registration, total amount of outstanding shares amounted to 345,511,960 equivalent to a share capital of 69,102,392 SEK with a nominal value of 0.20 SEK.

In August 2019, a directed share issue was conducted at a share price of 0.53 SEK/share. The rights issue brought 18,867,924 new shares to the company. The targeted issue was registered on August 30, 2019. After registration, total amount of outstanding shares amounted to 364,379,884 equivalent to a share capital of 72,875,977 SEK with a nominal value of 0.20 SEK.

In September 2019, a set-off issue to a couple of guarantee in the rights issue in August, was conducted at a share price of 0.50 SEK/share. The offset issue brought 10,372,884 new shares to the company. The offset share issue was registered on September 2, 2019. After registration, total amount of outstanding shares amounted to 374,752,768 equivalent to a share capital of 74,950,554 SEK with a nominal value of 0.20 SEK.

In September 2019, a set-off issue to Hörmann-Vertungen GmbH & Co was conducted at a share price of 0.56 SEK/share. The offset issue brought 27 627,679 new shares to the company. The set-off issue was registered on September 20, 2019. After registration, total amount of outstanding shares amounted to 402,380,447 equivalent to a share capital of 80,476,089 SEK with a nominal value of 0.20 SEK.

In February-March 2020, a rights issue was performed on a 1-1 basis to a share price of 0.25 SEK/share. The rights issue brought 304,953,790 new shares to the company. The rights issue was registered on March 30, 2020. After registration, total amount of outstanding shares amounted to 707,334,237 equivalent to a share capital of 141,466,847 SEK with a nominal value of 0.20 SEK.

After decision at Annual General Meeting 14 May 2020, a decrease of the share capital and number of share was performed during the summer through a reverse split of 100 shares to 1 share. Equivalent value 140 052 179 SEK was transferred to share premium reserve. From August 17, 2020 the new number of shares are traded at Nasdaq First North Growth Market.

## Note 4, Transactions with related parties

### Transactions between the company and members of the Board of Directors

Claes-Göran Granqvist is invoicing the company a consulting fee of SEK 15,000 per month, totaling SEK45,000 for the period January-March 2020.

### Transactions between the company and the company's primary owners

Nothing to report for the period January-March 2020.

## Note 5, Pledged assets and contingent liabilities

KSEK		2019	2019	2019	2019	2020
Event	Holder	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar
Floating charge		0	0	0	0	0
Restricted cash	Euroclear	50	50	50	50	50
<b>Total</b>		<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

## Income Statement per isolated quarter

KSEK	2019	2019	2019	2019	2020	2020
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2
Net sales	10 712	12 481	13 993	8 062	5 194	3 994
Change in inventories of products in progress	-1 991	131	-3 717	-2 724	-314	-1 261
Capitalized own work	0	0	303	821	958	614
Other operating income	354	1 006	208	1 837	854	2 857
<b>Gross operating income</b>	<b>9 075</b>	<b>13 618</b>	<b>10 787</b>	<b>7 996</b>	<b>6 692</b>	<b>6 204</b>
Raw materials and consumables used	-8 625	-12 315	-11 620	-8 731	-6 319	-4 796
Other external costs	-7 874	-9 500	-9 325	-11 684	-9 557	-8 485
Personnel costs	-5 972	-7 301	-6 314	-7 739	-7 640	-6 894
Depreciation of intangible assets and tangible assets	-1 978	-1 976	-1 984	-1 987	-1 687	-1 492
Other operating expenses	-171	-105	-915	-257	-208	-24
<b>Total operating expenses</b>	<b>-24 620</b>	<b>-31 197</b>	<b>-30 158</b>	<b>-30 398</b>	<b>-25 411</b>	<b>-21 691</b>
<b>Operating income</b>	<b>-15 545</b>	<b>-17 579</b>	<b>-19 371</b>	<b>-22 402</b>	<b>-18 719</b>	<b>-15 487</b>
Interest income	0	5	21	20	8	29
Interest expenses	-792	-685	-672	-852	-768	-3 481
<b>Total result of financial items</b>	<b>-792</b>	<b>-680</b>	<b>-651</b>	<b>-832</b>	<b>-760</b>	<b>-3 452</b>
<b>Operating income after financial items</b>	<b>-16 337</b>	<b>-18 259</b>	<b>-20 022</b>	<b>-23 234</b>	<b>-19 479</b>	<b>-18 939</b>
Tax	0	0	0	0	0	0
<b>Net income</b>	<b>-16 337</b>	<b>-18 259</b>	<b>-20 022</b>	<b>-23 234</b>	<b>-19 479</b>	<b>-18 939</b>

Average number of shares before dilution <sup>1)</sup>	65 223 126	172 755 980	280 239 699	402 380 447	554 857 342	707 334 237
Average number of shares after dilution <sup>1)</sup>	65 223 126	172 755 980	280 239 699	402 380 447	554 857 342	707 334 237
Outstanding shares at the end of the reporting period before dilution <sup>1)</sup>	65 223 126	172 755 980	402 380 447	402 380 447	707 334 237	707 334 237
Outstanding shares at the end of the reporting period after dilution at full utilization. <sup>1)</sup>	65 223 126	193 746 269	423 370 736	423 363 079	709 342 200	709 342 200
Outstanding warrants at the end of the reporting period <sup>1)</sup>	20 990 289	20 990 289	20 990 289	20 982 632	2 007 963	2 007 963
Earnings per share before dilution, SEK <sup>1)</sup>	-0,25	-0,11	-0,07	-0,06	-0,04	-0,03
Earnings per share after dilution, SEK <sup>1)</sup>	-0,25	-0,11	-0,07	-0,06	-0,04	-0,03

<sup>1)</sup> During the first quarter of 2020, a rights issue was issued which added 304,953,790 new shares.

## Statement of Cash Flows isolated quarters

KSEK	2019 Iso. Q1	2019 Iso. Q2	2019 Iso. Q3	2019 Iso. Q4	2020 Iso. Q1	2020 Iso. Q2
<b>OPERATING ACTIVITIES</b>						
Profit/loss before tax	-15 545	-17 579	-19 371	-22 402	-18 719	-15 487
Financial income and expenses	-792	-681	-651	-832	-761	-3 451
<i>Adjustments for non-cash items:</i>						
Capital gain sold fixed assets	-	-	-	-	-	-5
Depreciation/amortization and impairment	1 978	1 976	1 984	1 987	1 687	1 492
<b>Cash flow from operating activities before changes in working capital</b>	<b>-14 359</b>	<b>-16 284</b>	<b>-18 038</b>	<b>-21 247</b>	<b>-17 793</b>	<b>-17 451</b>
<i>Cash flow from changes in working capital</i>						
Increase(-)/decrease(+) inventories	403	-2 392	1 911	749	-3 976	2 263
Increase(-)/decrease(+) trade receivables	-2 832	-2 929	673	1 203	1 798	2 305
Increase(-)/decrease(+) current receivables	-3 639	-3 097	-2 419	5 005	-121	-363
Increase(+)/decrease(-) trade payables	6 462	52 557	-39 231	-4 145	-1 772	-7 170
Increase(+)/decrease(-) current liabilities	-939	366	-2 680	3 347	3 083	1 003
<b>Cash flow from changes in working capital</b>	<b>-545</b>	<b>44 505</b>	<b>-41 746</b>	<b>6 159</b>	<b>-988</b>	<b>-1 962</b>
<b>Cash flow from operating activities</b>	<b>-14 904</b>	<b>28 221</b>	<b>-59 784</b>	<b>-15 088</b>	<b>-18 781</b>	<b>-19 413</b>
<b>INVESTING ACTIVITIES</b>						
Acquisition of property, plant and equipment and intangible assets	-145	-56 395	-3 863	-8 556	-7 550	-5 543
Sale of property, plant and equipment	0	0	150	0	0	40
Acquisition long-term receivable	-	-	-	-	-	-4 975
<b>Cash flow from investing activities</b>	<b>-145</b>	<b>-56 395</b>	<b>-3 713</b>	<b>-8 556</b>	<b>-7 550</b>	<b>-10 478</b>
<b>FINANCING ACTIVITIES</b>						
New share issue	63 152	0	96 870	338	62 708	-191
Borrowings	0	0	0	0	0	0
EU contribution	-	-	-	-	-	4 975
Repayment of debt	-12 600	0	0	-67	0	0
<b>Cash flow from financing activities</b>	<b>50 552</b>	<b>0</b>	<b>96 870</b>	<b>271</b>	<b>62 708</b>	<b>4 784</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>35 503</b>	<b>-28 174</b>	<b>33 373</b>	<b>-23 373</b>	<b>36 377</b>	<b>-25 107</b>
<b>CASH AND CASH EQUIVALENTS AT START OF THE PERIC</b>	<b>7 521</b>	<b>43 024</b>	<b>14 850</b>	<b>48 223</b>	<b>24 850</b>	<b>61 227</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>43 024</b>	<b>14 850</b>	<b>48 223</b>	<b>24 850</b>	<b>61 227</b>	<b>36 120</b>