

Interim Report January – September 2020

ChromoGenics conducts a preferential share issue for accelerated growth

Third quarter of 2020

- Net sales for the period amounted to SEK 3.5 (14.0) million, and earnings amounted to SEK -15.1 (-20.0) million, which corresponds to earnings per share of SEK -2.14 (-7.14) after the 1:100 consolidation of shares.
- ChromoGenics continued to be impacted by the coronavirus pandemic during the second and third quarters, which resulted in delayed orders from the company's customers. Order intake and invoicing were adjusted in 2020. Net sales for the current year are therefore expected to be lower than the outcome in 2019. An action plan that aimed to reduce the company's running costs was started at the beginning of April. The cost savings have had the greatest impact in the third quarter. The plan entailed the termination of around ten positions as per June 30 and a furlough program during Q2 2020 with work hours reduced to 40 percent for 70 percent of the staff. The installation of our sputter machines proved to require more time from our in-house staff since our external consultants were called home. The furlough program was therefore terminated in advance since it was not possible to comply with the regulations.
- Operating profit amounted to SEK -14.4 (-19.4) million, which is an improvement of SEK 5.0 million compared to the corresponding period in 2019.
- Cash and cash equivalents amounted to SEK 21.3 (48.2) million on September 30, 2020.
- Two machines for advanced surface coating (sputtering machines) have been installed in the company's premises in Uppsala and are fundamental for the future operations. Ongoing work is focused on verifying, adjusting and fine-tuning the manufacturing process and its accompanying control system. This work is in full swing and progressing in accordance with our schedule.
- On August 17, Jerker Lundgren stepped down as CEO, and Leif Ljungqvist was named the new CEO of ChromoGenics.
- The record date for the 1:100 reverse share split, through which one hundred shares were consolidated into one share, was August 18. Through the reverse split, the number of shares decreased from 707,334,237 to 7,073,343.
- During Q3, orders of SEK 1.4 million were received from Klockstapeln in Gävle, Humlegården in Solna, and others. Order volume for Q4 2020 amounts to SEK 5.4 (16.9) million.

<i>SEK million</i>	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	3,5	14,0	12,6	23,2	45,2
EBITDA	-13,1	-17,4	-44,2	-46,6	-67,0
Net income	-15,1	-20,0	-53,5	-54,6	-77,9
EPS before dilution, SEK	-2,14	-7,14	-9,65	-19,49	-33,83
EPS after dilution, SEK	-2,14	-7,14	-9,65	-19,49	-33,83
Cash and bank end of the period	21,3	48,2	21,3	48,2	24,9

Events after the end of the period

- On October 23, ChromoGenics' Board of Directors decided to repay to the Swedish Agency for Economic and Regional Growth the furlough subsidy of SEK 2.4 million that the company had received since the company's installation and adjustment program is a priority and key staff could therefore not be kept on furlough. The company's liquidity was negatively affected by SEK 2.4 million.
- On October 28, ChromoGenics was granted a deferment for its repayment obligation of conditional loans to the Swedish Energy Agency until October 1, 2022. It is assessed that this will entail liquidity relief of more than SEK 10 million for ChromoGenics.
- On November 6, ChromoGenics' Board of Directors decided pursuant to the authorization granted by

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the Annual General Meeting on May 14, 2020, to conduct an issue of units, consisting of shares and warrants, with a preferential right for existing shareholders. A preferential share issue that is fully guaranteed will contribute to ChromoGenics around SEK 94.1 million before issue expenses.

- An order of approximately of SEK 1 million regarding Ortun Skole in Norway with delivery Q2 2021 was received on November 10.

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Comments from the CEO

ChromoGenics is conducting a unit issue consisting of shares and warrants with preferential rights for existing shareholders that will raise SEK 94.1 million before issue expenses. The issue is fully guaranteed with subscription during the period November 25 - December 9. The unit issue's warrants carry the right to subscribe to shares in ChromoGenics with an additional maximum of SEK 34.0 million prior to the issue costs during two redemption periods, September 2021 and March 2022.

The raised capital will allow ChromoGenics to develop the company's dynamic products and create conditions for generating net sales that will lead to positive cash flow in the future. The money raised from the issue will primarily be used for

- satisfactory product quality in the dynamic products.
- enhanced marketing work with a focus on our home market in the Nordics.
- planning to establish a hub that serves as a model for how the company's product, electrochromic film, will be distributed globally.
- approaching the existing market for sputtered film in order to fill the overcapacity that the company currently has its two sputter machines.

All measures aim to transform the company into a commercial industrial firm.

A condition for meeting our customers' demand for the dynamic products is that we have a stable product of good quality. One of the keys for a functional product is that the sputtered films are stable. After investing in and installing in-house capacity for producing sputtered electrochromic film, the company is now in an intense process-development stage. The aim is to produce one film with tungsten oxide and another with nickel oxide. We are currently on schedule for the development of this process. We have already achieved excellent results in the development of tungsten oxide, and we expect to have a stable process in November. We have started the development process for nickel oxide. This process is scheduled for completion in December 2020. We aim to increase the pace and focus in all development processes in the future.

Tests of laminated films that are encased in glass are progressing parallel to the process development. These tests have two objectives: to provide feedback to the process that is being developed in the sputterers and, through forced testing, to control the product's stability over a long period of time. The feedback to the sputter process occurs on a daily basis. The long-term stability takes more time. One of the two tests that are being conducted that gives a good overview of the product takes around 30 days. The other test takes around 90 days. The tests provide a good control of the product's sustainability over a long period of time. These tests are followed up daily.

Based on the current schedule for the company's process development for sputtered material and test procedures for glass entail, we will be able to deliver products based on the in-house sputtering capacity in Q2 2021.

ChromoGenics' order backlog amounted to SEK 5.4 million at the end of Q3. This backlog has accumulated mainly because we have not had dynamic products that we can deliver. Sales are continuing with undiminished efforts, and despite the quality problems the company has had we are meeting strong interest from our customers for our products ConverLight® Dynamic, ConverLight® Static and ConverLight® Energy. The focus of our sales is to sell Static and Energy products with shorter lead times and Dynamic products with delivery at the end of 2021 and the beginning of 2022. Thanks to the efforts of our sales staff, we currently are in discussions with customers for an expected close on orders within six months of just over SEK 50 million. The majority of these discussions refer to the dynamic products, but there is also a growing interest in Energy.

We have also begun to approach the market for sputtered material. We are currently in contact with potential customers in the electronics and medical technology sectors. This is occurring at the same time as we are installing the second sputter machine for this purpose. The installation of Sputter II is expected to be completed in Q1 2021. The intention is then to establish a process that suits one of the potential customers with whom we are in discussions.

Leif Ljungqvist, CEO

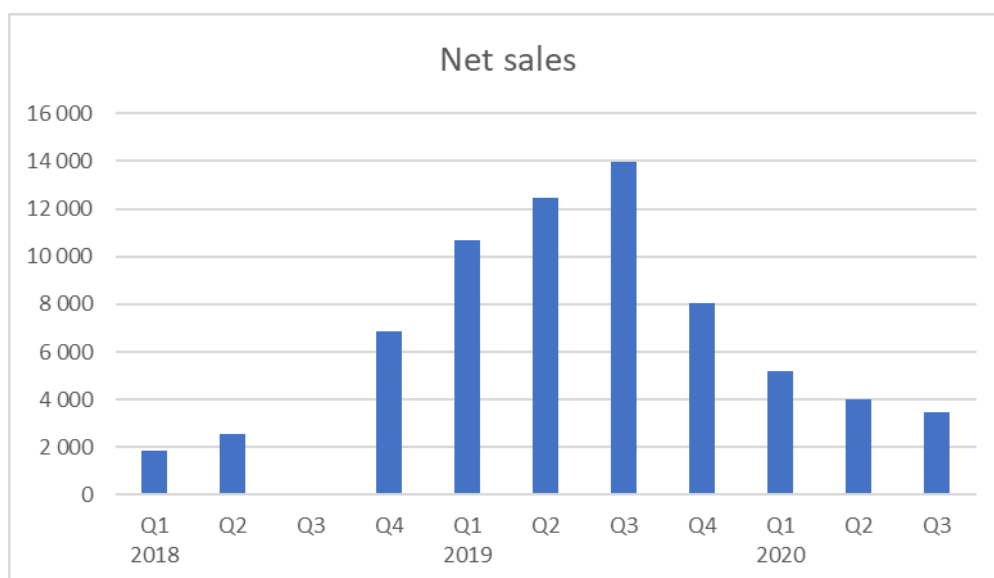
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This report comments on the development for the period April–June 2020 compared to the same period in 2019 unless otherwise stated.

Net sales

In Q3 2020, ChromoGenics' net sales amounted to SEK 3.5 (14.0) million. Income was lower primarily due to the insufficient production quality of the electrochromic film that was purchased previously, which meant there was not enough material to produce and deliver dynamic products to our customers. The delay in incoming orders during the spring has slowed development this quarter. 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 still around twenty-five (25) ongoing projects in the past quarter, with dynamic products representing SEK 1.0 (6.1) million, or a share of around 29 percent of net sales, and static products representing SEK 2.1 (3.2) million, or a share of around 61 percent of net sales. In addition, SEK 0.3 million, or around 10 per cent of net sales, is from the installation of solar film in the third quarter.

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Work performed by the company for its own use and capitalized amounted to SEK 0.5 (0.3) million and refers to the installation work on and adjustments to the new sputtering machines by in-house staff.

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Other operating income amounted to SEK -1.3 (0.2) million and consists of funding from, for example, the R&D program Switch2Save within Horizon 2020, which is financed by the EU. ChromoGenics has decided to repay the furlough subsidy of SEK 1.8 million that were reported in Q2 as income, thereby the negative figure.

Cost development

The savings program that was launched in April continued to have an effect through a lower cost level in Q3 from the reduction in in-house staff, no temporary staff in production, and fewer external consultants.

In Q3 2020, the operations focused primarily on the installation of the new sputtering machines that create the conditions for controlling the entire production process and producing sputtered film in-house. Time has been dedicated to testing functionality and sustainability.

Costs for raw materials and consumables amounted to SEK 4.4 million in the third quarter of the year compared to SEK 11.6 million for the corresponding period in 2019. The costs are related to material consumption in manufacturing, purchased input goods from of different types of glass, and subcontractors for installation of the static products. Material consumption has decreased through lower volumes of delivered dynamic products. This had a positive impact on costs of SEK 0.9 million, through reduced pure material consumption, at the same time as scrapping costs decreased by SEK 2.9 million compared to the corresponding quarter in 2019.

A pending redelivery of SEK 0.3 million has increased the provision for redeliveries, which amounted at the end of the period to SEK 8.4 (8.3) million. The decrease in net sales of the static products during the third quarter of the year reduced costs for material consumed and subcontractors by around SEK 3.3 million.

Other external costs amounted to SEK 5.2 (9.3) million. Cost savings during the quarter were primarily attributable to no temporary staff in production and fewer consultant services as well as reduced travel.

Personnel costs in Q3 2020 amounted to SEK 5.2 million compared to SEK 6.3 million the previous year. The average number of employees decreased by 12 during the period and amounted to 24 (35). The lower costs in Q3 2020 are attributable primarily to reduced wage-related costs and a smaller vacation pay liability.

Depreciation and impairment of fixed assets amounted to SEK 1.3 (2.0) million. The decrease is primarily due to some intangible assets being fully depreciated and thus are not included in the depreciation amount for Q3 2020.

ChromoGenics' operating loss for the third quarter of the year amounted to SEK -14.4 (-19.4) million.

Net financial items for July–September 2020 amounted to SEK -0.7 (-0.7) million and are primarily related to interest expenses for the conditional 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 -15.1 (-20.0) million.

Cash flow and financial position

Cash flow from operating activities including a change in working capital amounted to SEK -11.1 (-59.8) million in the third quarter of the year.

Net cash flow from investing activities amounted to SEK -3.7 (-3.7) million in Q3 2020. The

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investments amounted to SEK -3.7 (-3.8) million and are primarily related to the ongoing installation of the new sputtering machines within the production process.

Net cash flow from financing activities amounted to SEK -0.1 (96.9) million for Q3 2020. The preferential share issue completed on March 4, 2020, brought in SEK 62.7 million net to the company after issue expenses. In Q3 2019, the company conducted both a preferential share issue and a share issue that resulted in a capital contribution of SEK 96.9 million net after issue expenses.

Cash flow for the period amounted to SEK -14.8 million compared to SEK +33.4 million for the corresponding period in 2019. Cash and cash equivalents amounted to SEK 21.3 million as per September 30, 2020, compared to SEK 24.9 million on December 31, 2019, and SEK 48.3 million on September 30, 2019.

The balance sheet total amounted to SEK 139.9 (194.3) million, a decrease of SEK 54.4 million in twelve months. Fixed assets increased by SEK 21.6 million compared to September 30, 2019, primarily due to the ongoing investment in new sputtering machines. Under current assets, accounts receivable and current receivables decreased by SEK 12.4 million over the past twelve months primarily due to the decrease in sales in recent quarters.

Equity amounted on September 30, 2020, to SEK 51.5 million, of which restricted equity amounted to SEK 2.1 million and unrestricted equity to SEK 49.4 million. For the same period in 2019, equity amounted to SEK 65.5 million. The record date for the 1:100 reverse share split, through which one hundred shares were consolidated into one share, was August 18. Through the reverse split, the number of shares decreased from 707,334,237 to 7,073,343, and SEK 140.1 million of the share capital was transferred to the share premium reserve.

Under 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 101.1 million as on September 30, 2020, compared to SEK 92.1 million at the beginning of the year.

Investments

Investments in Q3 2020 amounted to SEK -3.7 (-3.9) 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 Q3 2020 amounted to 25 (35). There were on average 29 employees (FTEs), including temporary staffing and consultants, in Q3 2020, compared to 42 in Q2 2020. There were 25 employees on September 30, 2020, compared to 37 on September 30, 2019.

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.

The AGM on May 14, 2020, resolved to carry out a 1:100 reverse share split, through which one

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hundred (100) shares were consolidated into one (1) new share. The reason for the reverse split is that ChromoGenics wants to reach a number of shares that is appropriate for the company.

On September 30, 2020, the registered share capital amounted to SEK 141,466,855, represented by 7,073,343 shares, each with a quotient value of SEK 0.20. On August 4, the reduction in the share capital was registered as SEK 1,414,669 and after the reverse share split was represented by 7,073,343 shares. The new number of shares will be traded on Nasdaq First North Growth Market from August 17.

In conjunction with the acquisition of the net assets of I-Window International AB in September 2018, a 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 2.22 shares at a subscription price of SEK 0.99/share from September 30, 2020, through December 31, 2021. After the completed reverse share split, 44,440 shares can be issued at a subscription price of SEK 90.16/share.

At the end of the period, recognized equity amounted to SEK 51.5 million compared to SEK 42.6 million on December 31, 2019, and SEK 65.5 million on September 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 September 30, 2020 are presented below:

Shareholders per 2020-09-30	Ordinary shares	Votes and capital
Försäkringsaktiebolaget, Avanza Pension	449 212	6,35%
Clearstream Banking S.A. W8IMY	291 726	4,12%
RGG-ADM Gruppen	220 336	3,12%
SEB Panki AS, NQI	150 000	2,12%
Nordnet Pensionsförsäkring AB	147 092	2,08%
Dan Sandberg	119 042	1,68%
Castab AB	113 450	1,60%
Danske Bank International S.A.	102 434	1,45%
Henrik Persson	80 150	1,13%
Staffan Falk	80 000	1,13%
OTHERS	5 319 901	75,21%
TOTAL	7 073 343	100,0%

Source: Euroclear AB

According to Euroclear, there were 7,035 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 21.3 million on September 30, 2020. The preferential share issue completed in February–March 2020 brought in net SEK 62.7 million.

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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.

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

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
November 21, 2021	Interim Report January–September 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, November 13, 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
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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/

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Income Statement per Individual Quarter

Statement of Cash Flows per Individual Quarter

Income Statement

KSEK	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	3 460	13 993	12 648	37 186	45 248
Change in inventories of products in progress	-982	-3 717	-2 557	-7 163	-9 886
Capitalized own work	511	303	2 083	303	1 124
Other operating income	-1 272	208	2 439	1 569	3 405
Gross operating income	1 717	10 787	14 613	31 895	39 891
Raw materials and consumables used	-4 407	-11 620	-15 522	-30 875	-39 706
Other external costs	-5 217	-9 326	-23 259	-26 800	-38 383
Personnel costs	-5 168	-6 314	-19 702	-19 587	-27 326
Depreciation of intangible assets and tangible assets	-1 276	-1 984	-4 455	-5 937	-7 925
Other operating expenses	-69	-915	-301	-1 191	-1 448
Total operating expenses	-16 137	-30 159	-63 239	-84 390	-114 788
Operating income	-14 420	-19 372	-48 626	-52 495	-74 897
Interest income	20	21	57	26	46
Interest expenses	-731	-671	-4 980	-2 149	-3 001
Total result of financial items	-711	-650	-4 923	-2 123	-2 955
Operating income after financial items	-15 131	-20 022	-53 549	-54 618	-77 852
Tax	0	0	0	0	0
Net income	-15 131	-20 022	-53 549	-54 618	-77 852

Balance Sheet

KSEK	2020 30-Sep	2020 30-Jun	2020 31-Mar	2019 31-Dec	2019 30-Sep
ASSETS					
Non-current Assets					
Intangible assets	5 975	6 411	6 982	7 703	8 710
Property, plant and equipment	88 337	85 512	80 925	74 341	66 765
Financial assets	4 975	4 975	0	0	0
Total non-current assets	99 287	96 898	87 907	82 044	75 475
Current Assets					
Inventories and work in progress	7 052	8 462	10 725	6 749	7 498
Trade receivables	2 659	3 211	5 575	7 314	8 517
Other current receivables	9 614	12 214	10 485	11 097	16 102
Cash and cash equivalents	21 302	36 120	61 227	24 850	48 223
Total current assets	40 627	60 007	88 012	50 010	80 340
TOTAL ASSETS	139 914	156 905	175 919	132 054	155 815
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	1 415	1 415	141 467	80 476	80 476
Fund, development expenses	738	738	738	738	795
<i>Non-restricted equity</i>					
Share premium reserve	573 678	573 736	433 875	432 158	431 820
Accumulated profit/loss	-470 766	-470 766	-470 766	-392 914	-392 971
Operating income for the period	-53 549	-38 418	-19 479	-77 852	-54 618
Total equity	51 516	66 705	85 835	42 606	65 502
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ¹⁾	56 013	45 814	47 760	47 760	49 327
EU contribution	4 975	4 975	-	-	-
Total non-current liabilities	60 988	50 789	47 760	47 760	49 327
Current liabilities					
Current interest-bearing liabilities ¹⁾	1 868	3 789	1 843	1 843	343
Trade payables	4 449	12 649	19 819	21 591	25 736
Other current liabilities	21 093	22 973	20 662	18 254	14 907
Total current liabilities	27 410	39 411	42 324	41 688	40 986
TOTAL EQUITY AND LIABILITIES	139 914	156 905	175 919	132 054	155 815

Statement of Cash Flows

KSEK	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
OPERATING ACTIVITIES					
Profit/loss before tax	-14 420	-19 371	-48 626	-52 495	-74 897
Financial income and expenses	-711	-651	-4 923	-2 124	-2 956
<i>Adjustments for non-cash items:</i>					
Capital gain sold fixed assets	0	-	-5	-	-
Depreciation/amortization and impairment	1 276	1 984	4 455	5 938	7 925
Cash flow from operating activities before changes in working capital	-13 855	-18 038	-49 099	-48 681	-69 928
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	1 410	1 911	-303	-78	671
Increase(-)/decrease(+) trade receivables	552	673	4 655	-5 088	-3 943
Increase(-)/decrease(+) current receivables	2 441	-2 419	1 957	-9 155	-4 114
Increase(+)/decrease(-) trade payables	-3 367	-39 231	-12 309	19 788	15 658
Increase(+)/decrease(-) current liabilities ¹⁾	1 724	-2 680	5 810	-3 253	101
Cash flow from changes in working capital	2 760	-41 746	-190	2 214	8 373
Cash flow from operating activities	-11 095	-59 784	-49 289	-46 467	-61 555
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment and intangible assets	-3 665	-3 863	-16 758	-60 403	-68 959
Sale of property, plant and equipment	0	150	40	150	150
Acquisition long-term receivable	0	-	-4 975	-	-
Cash flow from investing activities	-3 665	-3 713	-21 693	-60 253	-68 809
FINANCING ACTIVITIES					
New share issue	-58	96 870	62 459	160 022	160 360
Borrowings	0	0	0	0	0
EU contribution	0	-	4 975	-	-
Repayment of debt	0	0	0	-12 600	-12 667
Cash flow from financing activities	-58	96 870	67 434	147 422	147 693
CASH FLOW FOR THE PERIOD	-14 818	33 373	-3 548	40 702	17 329
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	36 120	14 850	24 850	7 521	7 521
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	21 302	48 223	21 302	48 223	24 850

Statement of changes in equity

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2019	8 638	795	343 636	-392 971	-39 902
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
Equity 31 Dec 2019	80 476	738	432 159	-470 767	42 606

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2020	80 476	738	432 159	-470 767	42 606
New share issues	60 991	-	15 247	-	76 238
New share issue fees	-	-	-13 779	-	-13 779
Fund for development expenses	-	-	-	-	0
Decrease of share capital	-140 052	-	140 052	-	0
Operating income for the period	-	-	-	-53 549	-53 549
Equity 30 Sep 2020	1 415	738	573 679	-524 316	51 516

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 101.1 million as per September 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 2020-09-30
2018-09-03 ²⁾	2021-12-31	2 000 000	0,00	0,99	2 000 000	0	0	2 000 000
Total					2 000 000	0	0	2 000 000

¹⁾ 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 2.22 share to a redemption price of 0.90 SEK as per 30 September 2020 and matures on December 31, 2021. After reverse split of the share the redemption price for the warrant is 90,16 SEK/share and 44,440 shares.

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
Total			7 073 343	0,2	1 414 669	573 735 932		

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 SEK 135,000 for the period January-September 2020.

Transactions between the company and the company's primary owners

Nothing to report for the period January-September 2020.

Note 5, Pledged assets and contingent liabilities

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

Income Statement per isolated quarter

KSEK	2019	2019	2019	2019	2020	2020	2020
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3
Net sales	10 712	12 481	13 993	8 062	5 194	3 994	3 460
Change in inventories of products in progress	-1 991	131	-3 717	-2 724	-314	-1 261	-982
Capitalized own work	0	0	303	821	958	614	511
Other operating income	354	1 006	208	1 837	854	2 857	-1 272
Gross operating income	9 075	13 618	10 787	7 996	6 692	6 204	1 717
Raw materials and consumables used	-8 625	-12 315	-11 620	-8 731	-6 319	-4 796	-4 407
Other external costs	-7 874	-9 500	-9 325	-11 684	-9 557	-8 485	-5 217
Personnel costs	-5 972	-7 301	-6 314	-7 739	-7 640	-6 894	-5 168
Depreciation of intangible assets and tangible assets	-1 978	-1 976	-1 984	-1 987	-1 687	-1 492	-1 276
Other operating expenses	-171	-105	-915	-257	-208	-24	-69
Total operating expenses	-24 620	-31 197	-30 158	-30 398	-25 411	-21 691	-16 137
Operating income	-15 545	-17 579	-19 371	-22 402	-18 719	-15 487	-14 420
Interest income	0	5	21	20	8	29	20
Interest expenses	-792	-685	-672	-852	-768	-3 481	-731
Total result of financial items	-792	-680	-651	-832	-760	-3 452	-711
Operating income after financial items	-16 337	-18 259	-20 022	-23 234	-19 479	-18 939	-15 131
Tax	0	0	0	0	0	0	0
Net income	-16 337	-18 259	-20 022	-23 234	-19 479	-18 939	-15 131

Average number of shares before dilution ¹⁾	652 231	1 727 560	2 802 397	4 023 804	5 548 573	7 073 342	7 073 342
Average number of shares after dilution ¹⁾							
Outstanding shares at the end of the reporting period before dilution ¹⁾	652 231	1 727 560	2 802 397	4 023 804	5 548 573	7 073 342	7 073 342
Outstanding shares at the end of the reporting period after dilution at full utilization. ¹⁾	652 231	1 727 560	4 023 804	4 023 804	7 073 342	7 073 342	7 073 342
Outstanding warrants at the end of the reporting period ¹⁾	866 278	2 066 551	4 448 002	4 448 002	7 117 862	7 117 862	7 117 782
Earnings per share before dilution, SEK ¹⁾	214 047	338 991	424 198	424 198	44 519	44 519	44 440
Earnings per share after dilution, SEK ¹⁾	-25,05	-10,57	-7,14	-5,77	-3,51	-2,68	-2,14
	-25,05	-10,57	-7,14	-5,77	-3,51	-2,68	-2,14

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

²⁾ In August 2020, a reduction of the share capital and the number of shares was implemented through a reverse split of 100 shares into 1 share, which reduced the number of shares to 7,073,342 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	2020 Iso. Q3
OPERATING ACTIVITIES							
Profit/loss before tax	-15 545	-17 579	-19 371	-22 402	-18 719	-15 487	-14 420
Financial income and expenses	-792	-681	-651	-832	-761	-3 451	-711
<i>Adjustments for non-cash items:</i>							
Capital gain sold fixed assets	-	-	-	-	-	-5	0
Depreciation/amortization and impairment	1 978	1 976	1 984	1 987	1 687	1 492	1 276
Cash flow from operating activities before changes in working capital	-14 359	-16 284	-18 038	-21 247	-17 793	-17 451	-13 855
<i>Cash flow from changes in working capital</i>							
Increase(-)/decrease(+) inventories	403	-2 392	1 911	749	-3 976	2 263	1 410
Increase(-)/decrease(+) trade receivables	-2 832	-2 929	673	1 203	1 798	2 305	552
Increase(-)/decrease(+) current receivables	-3 639	-3 097	-2 419	5 005	-121	-363	1 967
Increase(+)/decrease(-) trade payables	6 462	52 557	-39 231	-4 145	-1 772	-7 170	-3 367
Increase(+)/decrease(-) current liabilities	-939	366	-2 680	3 347	3 083	1 003	2 198
Cash flow from changes in working capital	-545	44 505	-41 746	6 159	-988	-1 962	2 760
Cash flow from operating activities	-14 904	28 221	-59 784	-15 088	-18 781	-19 413	-11 095
INVESTING ACTIVITIES							
Acquisition of property, plant and equipment and intangible assets	-145	-56 395	-3 863	-8 556	-7 550	-5 543	-3 665
Sale of property, plant and equipment	0	0	150	0	0	40	0
Acquisition long-term receivable	-	-	-	-	-	-4 975	0
Cash flow from investing activities	-145	-56 395	-3 713	-8 556	-7 550	-10 478	-3 665
FINANCING ACTIVITIES							
New share issue	63 152	0	96 870	338	62 708	-191	-58
Borrowings	0	0	0	0	0	0	0
EU contribution	-	-	-	-	-	4 975	0
Repayment of debt	-12 600	0	0	-67	0	0	0
Cash flow from financing activities	50 552	0	96 870	271	62 708	4 784	-58
CASH FLOW FOR THE PERIOD	35 503	-28 174	33 373	-23 373	36 377	-25 107	-14 818
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	7 521	43 024	14 850	48 223	24 850	61 227	36 120
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	43 024	14 850	48 223	24 850	61 227	36 120	21 302