

Interim Report January - September 2017

Positive acknowledgements from customers lead to the launch of ConverLight™ in Denmark!

Third quarter of 2017

- Net sales for the period amounted to SEK 3.3 (1.0) million.
- Earnings for the period amounted to SEK -13.5 (-10.2) million, which corresponds to earnings per share of SEK -0.58 (-1.37).
- During the quarter, ChromoGenics invoiced and completed deliveries of dynamic glass to the head office of the Swedish Energy Agency, an office within Saldeen Real Estate and the first partial delivery to Atrium Ljungberg's project Gränbystaden in Uppsala.
- ChromoGenics has appointed Michael Felthaus to market and drive sales of ConverLight™ in Denmark.
- ChromoGenics is in an expansion phase and the progress is going according to the plan. The new share issue in conjunction with the IPO in March 2017 brought in net SEK 78 million. Cash and cash equivalents as at September 30 amounted to SEK 57 million. The Board is continuously working with securing the company's long-term financial position.

SEK million	2017	2016	2017	2016	2016
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	3,3	1,0	6,1	2,8	3,0
EBITDA	-12,0	-8,6	-32,7	-33,1	-42,2
Net income	-13,5	-10,2	-37,4	-37,8	-49,5
EPS before dilution, SEK	-0,58	-1,37	-1,95	-6,57	-7,60
EPS after dilution, SEK	-0,58	-1,37	-1,95	-6,57	-7,60
Cash and cash equivalents at end of the period	56,7	2,1	56,7	2,1	8,5

“We are now taking the next step by launching ConverLight™ in Denmark!”

Comments from the CEO

Our products are receiving a lot of interest from the market, and I am convinced that this is just the beginning of a successful growth journey for ChromoGenics. Our dynamic glass ConverLight™ offers property owners, architects, energy consultants, construction companies and players in the window and facade glass industry an attractive and cost-efficient solution for solar control. ConverLight™ increases the energy efficiency and indoor comfort of buildings and contributes to environmental certifications, which is high on the environmental agenda for the sustainability work of both the EU and the commercial sector.

We are now taking the next step by launching ConverLight™ in Denmark with Michael Felthaus in the lead. Michael has a solid background within the glass and façade industry and will position the company in the Danish market.

We are also speeding up within retro-fit sales, where existing, inefficient glass and solar protection are upgraded to ConverLight™.

During the quarter, deliveries of dynamic glasses to two retro-fit projects were completed: the head office of the Swedish Energy Agency in Eskilstuna and an office building owned by the real estate company, Saldeen Real Estate. The office building had previously had extensive problems with high heat radiation. Considerable amounts of energy were consumed for cooling, which resulted in unnecessarily high costs and a negative impact on the environment. ChromoGenics' energy-effective technology has lowered the need to cool the building and the indoor climate has become much more comfortable. These are fantastic customer references for us as we take the next step in our expansion.

We also completed the first partial delivery to the Atrium Ljungberg's project Gränbystaden in Uppsala during the quarter. The plan is to inaugurate the project prior to the 2018 Christmas holiday shopping season.

After another successful Dynamic Glass Academy seminar, we are now taking the concept further in Sweden and Denmark. Through the seminar we create awareness and knowledge about the company's dynamic glass among customers and stakeholders as well as awareness about energy efficiency and comfort in buildings, with a focus on sustainability.

The considerable interest we are meeting from various industry representatives confirms that our unique technology is creating good opportunities for continued successful expansion and future profitability!

Thomas Almesjö, CEO



ChromoGenics

This report comments on developments during the periods July - September 2017 and January - September 2017 compared to the same periods in 2016, unless otherwise stated.

Earnings

Revenue amounted to SEK 3.3 (1.8) million for Q3 2017 and SEK 6.1 (1.8) million for January to September. ConverLight™ is still in its initial phase of sales and production.

Costs of goods sold amounted to SEK 8.3 (2.3) million for the third quarter and SEK 20.7 (11.7) million for January to September. Costs continue to be initially high since it has not yet been possible to negotiate volume discounts, and material consumption and process costs will be high until the production yield has been optimized.

Depreciation/amortization and impairment amounted to SEK 1.5 (1.6) million for the third quarter and SEK 4.6 (4.8) million for January to September.

Selling and administrative expenses amounted to SEK 5.2 (2.8) million for the third quarter and SEK 13.3 (8.3) million for January to September. The increase is primarily due to the establishment of a sales and marketing unit and its activities to commercialize ConverLight™. There were also administrative expenses related to the initial public offering.

Development expenditure amounted to SEK 3.5 (6.1) million for the third quarter and SEK 9.5 (20.6) million for January to September. This decrease is primarily due to the reorganization completed at the end of 2016, as part of which the staffing for process development was reduced and ConverLight™ was commercialized. The company is continuing to develop its products and this work will intensify in the near future.

The company's operating income amounted to SEK -13.5 (-10.1) million for the third quarter and SEK -37.1 (-37.7) million for January to September. The company is a development company in the process of transforming itself into a sales and production company. Sales are initially low and thus do not cover the company's total expenses.

Net financial items amounted to SEK -0.2 (-0.1) million during the period January to September. No income tax was paid during the period SEK (0.0) million.

Cash flow and financial position

Cash flow from operating activities including changes in working capital amounted to SEK -10.2 (-9.3) million for the third quarter and SEK -38.1 (-31.1) million for the period January to September.

Net cash flow from investing activities amounted to SEK -0.0 (-0.0) million for the third quarter and SEK -0.5 (-0.5) million for the period January to September.

Net cash flow from financing activities amounted to SEK 0.0 (9.0) million for the third quarter.

Non-current interest-bearing liabilities of SEK 49.7 million refer to a soft loan from the Swedish Energy Agency.

Cash and cash equivalents amounted to SEK 56.7 million on September 30, 2017, compared to SEK 67.0 million on June 30, 2017, and SEK 8.5 million on December 31, 2016.

At the end of the period, reported equity amounted to SEK 27.4 million, compared to SEK 40.9 million on June 30, 2017, and SEK -36.0 million on December 31, 2016.

ChromoGenics

Investments

The company's investments are production equipment and capitalization of R&D expenditure and patents. The investments during the period January to September 2017 amounted to net SEK -0.5 (-0.5) million.

Employees

The average number of employees (FTE) were 13 (18) in the third quarter and 13 (19) for the nine-month period. The average number of employees (FTE) including temporary staffing and consultants was 23 in the third quarter. There were 14 employees as at September 30, 2017, compared to 15 employees on June 30, 2017 and 21 employees on December 31, 2016. During the first six months, the number of employees decreased due an extensive reorganization at the end of 2016. At the same time, the company strengthened its organization in logistics, production and sales. Other production staff are currently contracted from an employment agency. Due to increasing interest, the company intends to continue to strengthen the sales and marketing unit.

Share capital

At an extraordinary general meeting on January 12, 2017, a resolution was passed on a 2:1 reverse split. In March, a new share issue was completed bringing in SEK 117.3 million to the company and 13,800,000 new shares and 13,921,312 warrants, which were partially registered with the Swedish Companies Registration Office on March 20, 2017, and fully registered on April 7, 2017. Every fourth warrant is entitled to subscribe to one new share for SEK 10.20 during the period May 1-31, 2018. Both the shares and warrants have been traded on Nasdaq First North Stockholm since March 23, 2017.

On September 30, 2017, share capital amounted to 4,642,865 represented by 23,214,326 shares, each with a quotient value of SEK 0.2.

Reported equity amounted to SEK 27.4 million on September 30, 2017, compared to SEK -36.0 million on December 31, 2016.

Shareholders

Since March 23, 2017, ChromoGenics' shares and warrants have been traded on Nasdaq First North Stockholm with G&W Fondkommission as Certified Adviser. On September 30, 2017, the largest shareholders in the company consisted of:

Shareholder	2017-09-30	
	Ordinary shares	Votes and capital
K-SVETS VENTURE AB	5 112 350	22,0%
NEW ENERGY SOLUTIONS II K/S	4 481 468	19,3%
NORDNET PENSIONS FÖRSÄKRING AB	704 781	3,0%
BENGT JOSEFSSON UTVECKLING AB	558 800	2,4%
VOLVO GROUP VENTURE CAPITAL	504 467	2,2%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	366 695	1,6%
HANDELSBANKEN LIV	358 925	1,5%
CASTAB AB	354 555	1,5%
WIMAN, KRISTIAN	305 234	1,3%
DANSKE BANK INTERNATIONAL S.A.	300 000	1,3%
OTHERS	10 167 051	43,8%
TOTAL	23 214 326	100,0%

Source: Euroclear AB

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 identifying, evaluating and where appropriate mitigating them. For more information, see the 2016 Annual Report at <http://www.chromogenics.com/sv/finansiella-rapporter/>

Liquidity risk

The new share issue in conjunction with the IPO during the spring raised SEK 78 million net. Cash and cash equivalents amounted to SEK 57 million on September 30, 2017. The Board is continuously working with securing the company's long-term financial position.

Since the company has just started to commercialize its product, ConverLight™, revenue is not expected to cover the company's expenses/costs in 2017.

If the company's cash and cash equivalents does not cover the financing need until the company achieves a positive cash flow from its operating activities and the company cannot obtain additional capital contributions, there is a risk that a liquidity deficit may arise, which may result in the company being wound down.

Currency risk

Most of the sales are currently in SEK. If there are sales in USD and/or EUR, 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 costs. The company is thus directly dependent on the exchange rates of these currencies.

Employees

ChromoGenics currently has a small organization of approximately 20 employees and is dependent on a number of key staff members. A weak financial position and initially weak profitability during the company's growth phase can make it difficult to recruit and keep key staff members.

ChromoGenics

Calendar

January 31, 2018	Year-End Report 2017
March 22, 2018	Annual Report 2017
April 27, 2018	Interim Report January-March 2018
May 16, 2018	Annual General Meeting 2018
July 20, 2018	Interim Report January-June 2018
October 26, 2018	Interim Report January-September 2018

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, October 26, 2017 CHROMOGENICS AB (publ) CIN 556630-1809

Anders Brännström
Chair of the Board of
Directors

Poul Erik Schou-Pederson
Board member

Peter Gustafson
Board member

Claes-Göran Granqvist
Board member

Jerker Lundgren
Board member

Mari Broman
Board member

Thomas Almesjö
CEO

For more information, please contact:

Thomas Almesjö, CEO: +46 706 290 782

Susanne Andersson, CFO & Head of Communications: +46 730 668 904

info@chromogenics.com

This information constitutes such information that ChromoGenics AB (publ) is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted by the above-mentioned contact persons for publication on October 26, 2017, at 8:30 a.m. CET.

About ChromoGenics

ChromoGenics is a leader in dynamic glass with controllable heat- and light transmission. The company's unique electrochromic technology ConverLight™, provides sustainable solar control with increased indoor comfort and energy efficiency. In 2016 the company started commercial sales to real estate projects in Scandinavia.

ChromoGenics is located in Uppsala and has about 20 employees. The technology is derived from the world leading research center at Ångström Laboratory at Uppsala University. The plant has been partly financed by a conditional loan from the Swedish Energy Agency. ChromoGenics share (CHRO) is listed on Nasdaq First North Stockholm with G&W Fondkommission as Certified Adviser. www.chromogenics.com

Auditor's Report of Review of Condensed Interim Financial Information (Interim Report) prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act

Introduction

We have reviewed the condensed interim financial information (interim report) of ChromoGenics AB as at September 30, 2017, and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The expressed conclusion based on a review therefore does not have the same level of assurance as an expressed conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared for the company, in all material respects, in accordance with the Annual Accounts Act.

Uppsala, October 26, 2017

Öhrlings PricewaterhouseCoopers

Leonard Daun
Authorized Certified Public Accountant
Auditor-in-charge

Niclas Bergenmo
Authorized Certified Public Accountant

Table of Contents for the financial statements and other notes:

- Income Statement**
- Statement of Financial Position**
- Statement of Cash Flows**
- Statement of Changes in Equity**
- Note 1 Accounting Principles**
- Note 2 Warrants Plan**
- Note 3 Shares**
- Note 4 Transactions with Related Parties**
- Note 5 Pledged Assets and Contingent Liabilities**
- Income Statement per isolated quarter**
- Statement of Cash Flows per isolated quarter**

Income Statement

KSEK	2017		2016		2016
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Net sales	3 334	1 025	6 093	2 791	3 042
Costs of goods and services sold	-8 338	-2 290	-20 711	-11 677	-14 973
Gross operating income	-5 004	-1 265	-14 618	-8 886	-11 931
Selling expenses	-2 985	-1 549	-6 953	-4 147	-5 548
Administrative expenses	-2 248	-1 246	-6 383	-4 150	-6 202
R&D expenses	-3 549	-6 060	-9 458	-20 552	-26 054
Other operating income and expenses	250	0	265	0	441
Total operating expenses	-8 532	-8 855	-22 529	-28 849	-37 363
Operating income	-13 536	-10 120	-37 147	-37 735	-49 294
Financial income	0	0	0	0	0
Financial expenses	0	-76	-211	-89	-192
Operating income after financial items	-13 536	-10 196	-37 358	-37 824	-49 486
Tax	0	0	0	0	0
Net income	-13 536	-10 196	-37 358	-37 824	-49 486

Average number of shares before dilution ¹⁾	23 214 326	7 462 290	19 146 878	5 760 923	6 511 604
Average number of shares after dilution ¹⁾	23 214 326	7 462 290	19 146 878	5 760 923	6 511 604
Outstanding shares at the end of the reporting period before dilution ¹⁾	23 214 326	7 462 290	23 214 326	7 462 290	9 414 326
Outstanding options at the end of the reporting period ¹⁾	13 936 932	506 921	13 936 932	506 921	15 621
Earnings per share before dilution, SEK ¹⁾	-0,58	-1,37	-1,95	-6,57	-7,60
Earnings per share after dilution, SEK ¹⁾	-0,58	-1,37	-1,95	-6,57	-7,60

¹⁾ Adjusted after a 2:1 reverse split registered in January 2017. During the first quarter a new issue of shares was completed bringing 13,800,000 new shares and 13,921,312 warrants, of which 12,677,040 shares and warrants were registered at Bolagsverket on March 20, 2017 and 1,122,960 shares and 1,244,272 warrants were finally registered at Bolagsverket on April 7, 2017.

Balance Sheet

KSEK	2016 30-sep	2016 31-dec	2017 31-mar	2017 30-jun	2017 30-sep
ASSETS					
Non-current Assets					
Intangible assets	14 832	13 099	12 330	11 853	11 115
Property, plant and equipment	11 481	10 653	9 981	9 209	8 446
Total non-current assets	26 313	23 752	22 311	21 062	19 561
Current Assets					
Inventories and work in progress	176	0	282	3 910	1 592
Trade receivables	402	319	1 588	3 768	3 750
Other current receivables	1 637	2 129	12 908	4 713	3 163
Cash and cash equivalents	2 112	8 516	82 514	66 961	56 701
Total current assets	4 327	10 964	97 292	79 352	65 206
TOTAL ASSETS	30 640	34 716	119 603	100 414	84 767
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital ¹⁾	1 492	1 882	4 643	4 643	4 643
Fund, development expenses	0	298	298	298	298
<i>Non-restricted equity</i>					
Share premium reserve	217 769	223 620	321 662	321 582	321 582
Accumulated profit/loss	-212 026	-212 324	-261 810	-261 810	-261 810
Operating income for the period	-37 824	-49 486	-13 293	-23 822	-37 358
Total equity	-30 589	-36 010	51 500	40 891	27 355
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ²⁾	49 670	49 670	49 670	49 670	49 670
Total non-current liabilities	49 670	49 670	49 670	49 670	49 670
Current liabilities					
Current interest-bearing liabilities	5 000	14 000	0	0	0
Trade payables	3 130	2 076	3 532	2 744	4 492
Other current liabilities	3 429	4 980	14 901	7 109	3 250
Total current liabilities	11 559	21 056	18 433	9 853	7 742
TOTAL EQUITY AND LIABILITIES	30 640	34 716	119 603	100 414	84 767

¹⁾ Including 225 KSEK non registered share capital per 31 March 2017.

²⁾ Refers to soft loans from the Swedish Energy Agency.

Statement of Cash Flows

KSEK	2017		2016		2016
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
OPERATING ACTIVITIES					
Profit/loss before tax	-13 536	-10 121	-37 147	-37 735	-49 293
<i>Adjustments for non-cash items:</i>					
Financial income and expenses	0	-76	-211	-89	-192
Depreciation/amortization and impairment	1 537	1 583	4 640	4 762	7 300
Capitalization of R&D expenditure	0	0	0	0	0
Cash flow from operating activities before changes in working capital	-11 999	-8 614	-32 718	-33 062	-42 185
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	2 318	-176	-1 592	970	1 146
Increase(-)/decrease(+) trade receivables	18	1 805	-3 430	-400	-319
Increase(-)/decrease(+) current receivables	1 550	-149	-1 034	420	260
Increase(+)/decrease(-) trade payables	1 748	304	2 416	1 606	424
Increase(+)/decrease(-) current liabilities	-3 859	-2 504	-1 730	-615	768
Cash flow from changes in working capital	1 775	-720	-5 370	1 981	2 279
Cash flow from operating activities	-10 224	-9 334	-38 088	-31 081	-39 906
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment and intangible assets	-36	-49	-450	-504	-480
Sale of property, plant and equipment	0	0	0	0	0
Cash flow from investing activities	-36	-49	-450	-504	-480
FINANCING ACTIVITIES					
New share issue	0	4 001	77 723	17 782	24 022
Borrowings	0	5 000	9 000	5 000	14 000
Repayment of debt	0	0	0	0	-35
Cash flow from financing activities	0	9 001	86 723	22 782	37 987
CASH FLOW FOR THE PERIOD	-10 260	-382	48 185	-8 803	-2 399
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	66 961	2 494	8 516	10 915	10 915
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	56 701	2 112	56 701	2 112	8 516

Statement of changes in equity

KSEK	Share capital	Fund, development expenses	Non-registered share capital	Statutory reserve	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2016	26 515	0	0	0	200 534	-237 559	-10 510
Reduction of share capital	-25 533					25 533	0
New share issues	900				23 120		24 020
Refund of de-registered warrants					-35		-35
Fund, development expenses		298				-298	0
Operating income for the period						-49 485	-49 485
Equity 31 Dec 2016	1 882	298	0	0	223 619	-261 809	-36 010

KSEK	Share capital	Fund, development expenses	Non-registered share capital	Statutory reserve	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2017	1 882	298	0	0	223 619	-261 809	-36 010
New share issues	2 761		0		114 839		117 600
New share issue fees					-16 877		-16 877
Operating income for the period						-37 358	-37 358
Equity 30 Sep 2017	4 643	298	0	0	321 581	-299 167	27 355

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.

Note 2, Warrant programs

Allocation date	Maturity date	Total number of warrants	Purchase price SEK	Redemption price SEK	Open. balance no of warrants 2017-01-01	Redeemed	Matured	Close. Bal. no of warrants 2017-03-31
2015-02-16	2019-12-31	7 657	0,00	5,40	7 657	0	0	7 657
2015-07-23	2020-06-30	7 963	0,00	5,40	7 963	0	0	7 963
Total					15 620	0	0	15 620

All warrants have been adjusted for a 2:1 reversed split registered in January 2017.

Both warrant programs 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.

Allocation date	Maturity date	Total number of warrants	Purchase price SEK	Redemption price SEK	Open. balance no of warrants 2017-01-01	Redeemed	Matured	Close. Bal. no of warrants 2017-04-07
2017-03-02	2018-05-31	13 921 312	0,00	10,20	0	0	0	13 921 312
Total					0	0	0	13 921 312

All above warrants were initiated in combination with the new share issue that was completed during the first quarter in combination with the listing on Nasdaq First North. 12,677,040 warrants were registered at Bolagsverket March 20, 2017 and 1,244,272 warrants were finally registered at Bolagsverket on April 7, 2017. Possession of four (4) TO1 entitles the holder to subscribe for one (1) new share in ChromoGenics at the rate of SEK 10.20 during the period 1 to 31 May 2018. The warrants are traded at Nasdaq First North Stockholm since March 23, 2017.

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
Total			23 214 326		4 642 865	321 582 773		

Share development during the year

On January 20, 2017, a 2:1 reverse split was registered following a resolution by an extraordinary general meeting on January 12, 2017. As of January 31, 2017, the total amount of outstanding shares amounted to 9,414,326, corresponding to share capital of 1,882,865:30 SEK with a nominal value of 0,2 SEK.

In February 2017, ahead of a public announcement of a Prospectus, a decision was taken on a new share issue of total 13,800,000 shares and 13,921,312 warrants. The main owners prepaid their subscriptions of shares in December 2016 of a total of 9 MSEK and in January 2017 of a total of 9 MSEK. The new share issue was registered, only by a part, at Bolagsverket on March 20, 2017 and finally registered at Bolagsverket on April 7, 2017. As per September 30, 2017, the total number of share was 23,214,326 equivalent to a share capital of 4,642,865 SEK with a nominal value of 0,2 SEK.

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 2017.

Transactions between the company and the company's primary owners

In July 2016, a loan was raised totaling SEK 5 million from K-svets Venture AB at an interest rate of 5%. The loan was off-set against shares at the issue of new shares that was completed at the beginning of March 2017.

In December 2016 a bridge financing agreement was concluded to finance the Company until a planned issue of new shares would be concluded ahead of a planned listing at Nasdaq First North. The bridge loans were financed by the main owners K-Svets Venture AB and New Energy Solutions II K/S, by SEK 9,0 million each, of which half paid in December 2016 and the remaining half paid by end of January 2017. The loans were at an interest rate of 5%. The loans and interest were off-set against shares at the issue of new shares that was completed at the beginning of March 2017.

Note 5, Pledged assets and contingent liabilities

KSEK Event	Holder	2016 30-sep	2016 31-dec	2017 31-mar	2017 30-jun	2017 30-sep
Floating charge	K-Svets Venture AB	5 000	5 000	5 000	0	0
Restricted cash	Euroclear	0	0	50	50	50
Total		5 000	5 000	5 050	50	50

Income Statement per isolated quarter

KSEK	2016	2016	2016	2016	2017	2017	2017
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3
Net sales	0	1 766	1 025	251	1 015	1 744	3 334
Costs of goods and services sold	-2 741	-6 662	-2 290	-3 296	-7 625	-4 748	-8 338
Gross operating income	-2 741	-4 896	-1 265	-3 045	-6 610	-3 004	-5 004
Selling expenses	-1 075	-1 525	-1 549	-1 401	-1 958	-2 010	-2 985
Administrative expenses	-1 412	-1 807	-1 246	-2 052	-1 616	-2 519	-2 248
R&D expenses	-7 146	-7 536	-6 060	-5 502	-2 905	-3 004	-3 549
Other operating income and expenses	56	470	0	441	-11	26	250
Total operating expenses	-9 577	-10 398	-8 855	-8 514	-6 490	-7 507	-8 532
Operating income	-12 318	-15 294	-10 120	-11 559	-13 100	-10 511	-13 536
Financial income	0	0	0	0	0	0	0
Financial expenses	-8	-8	-76	-103	-193	-18	0
Operating income after financial items	-12 326	-15 302	-10 196	-11 662	-13 293	-10 529	-13 536
Tax	0	0	0	0	0	0	0
Net income	-12 326	-15 302	-10 196	-11 662	-13 293	-10 529	-13 536

Average number of shares before dilution ¹⁾	4 910 239	5 432 657	7 462 290	9 168 676	10 963 743	23 127 944	23 214 326
Average number of shares after dilution ¹⁾	4 910 239	5 432 657	7 462 290	9 168 676	10 963 743	17 079 446	23 214 326
Outstanding shares at the end of the reporting period before dilution ¹⁾	4 910 239	7 462 290	7 462 290	9 414 327	22 091 366	23 214 326	23 214 326
Outstanding options at the end of the reporting period ¹⁾	591 201	506 921	7 477 910	15 621	12 692 661	13 936 932	13 936 932
Earnings per share before dilution, SEK ¹⁾	-2,51	-2,82	-1,37	-1,27	-1,21	-0,46	-0,58
Earnings per share after dilution, SEK ¹⁾	-2,51	-2,82	-1,37	-1,27	-1,21	-0,46	-0,58

¹⁾ All numbers are adjusted for a 2:1 reverse split registered in January 2017. During the first quarter 2017, a new issue of shares was completed bringing 13,800,000 new shares and 13,921,312 options, of which 12,677,040 shares and options was registered at Bolagsverket on March 20, 2017 and 1,122,960 shares and 1,244,272 options was finally registered at Bolagsverket on April 7, 2017.

Statement of Cash Flows isolated quarters

KSEK	2016				2017		
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3
OPERATING ACTIVITIES							
Profit/loss before tax	-12 316	-15 294	-10 121	-11 559	-13 101	-10 511	-13 536
<i>Adjustments for non-cash items:</i>							
Financial income and expenses	-9	-8	-76	-103	-193	-18	0
Depreciation/amortization and impairment	1 592	1 588	1 583	2 542	1 559	1 544	1 537
Capitalization of R&D expenditure	0	0	0	0	0	0	0
Cash flow from operating activities before changes in working capital	-10 733	-13 714	-8 614	-9 120	-11 735	-8 985	-11 999
<i>Cash flow from changes in working capital</i>							
Increase(-)/decrease(+) inventories	-265	1 411	-176	176	-282	-3 628	2 318
Increase(-)/decrease(+) trade receivables	0	-2 207	1 805	83	-1 269	-2 180	18
Increase(-)/decrease(+) current receivables	606	-37	-149	-115	-1 149	-1 266	1 550
Increase(+)/decrease(-) trade payables	723	617	304	-1 179	528	148	1 748
Increase(+)/decrease(-) current liabilities	-262	2 114	-2 504	1 298	-669	2 623	-3 859
Cash flow from changes in working capital	802	1 898	-720	263	-2 841	-4 303	1 775
Cash flow from operating activities	-9 931	-11 816	-9 334	-8 857	-14 576	-13 288	-10 224
INVESTING ACTIVITIES							
Acquisition of property, plant and equipment and intangible assets	-351	-104	-49	21	-119	-295	-36
Sale of property, plant and equipment	0	0	0	0	0	0	0
Cash flow from investing activities	-351	-104	-49	21	-119	-295	-36
FINANCING ACTIVITIES							
New share issue	10 000	3 781	4 001	6 240	79 693	-1 970	0
Borrowings	0	0	5 000	9 000	9 000	0	0
Repayment of debt	0	0	0	0	0	0	0
Cash flow from financing activities	10 000	3 781	9 001	15 240	88 693	-1 970	0
CASH FLOW FOR THE PERIOD	-282	-8 139	-382	6 404	73 998	-15 553	-10 260
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	10 915	10 633	2 494	2 112	8 516	82 514	66 961
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10 633	2 494	2 112	8 516	82 514	66 961	56 701