

Year-End Report 2016

Fourth quarter of 2016

- Revenue amounted to SEK 0.3 (0.0) million from a few smaller initial projects, one of which was an expansion project related to one of the first project orders. The ConverLight™ product is generating considerable interest among property owners, architects and other players in the flat glass market.
- The net income for the period amounted to SEK -11.7 (-13.0) million, corresponding to SEK -0.64 (-2.01) per share. 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.
- Cash and cash equivalents at the end of the period amounted to SEK 8.5 (10.9) million.
- Reported equity at the end of the period amounted to SEK -36.0 (-10.5) million.
- On October 5, a large number of employees at ChromoGenics were given notice. The company is entering into a new phase as it transforms itself from a development company into a sales and production company. Six staff members were made redundant on November 11 and two staff members had decided to leave the company on their own accord after September 30. The change will create a more cost-effective organization. Restructuring expenses of SEK 1.6 million were charged to earnings. The savings will be realized progressively during the first half of 2017.
- On November 16, an increase to the share capital of SEK 7.9 million from a new share issue was registered, corresponding to 2,921,472 new shares. In total, SEK 4.0 million was paid in September and SEK 3.9 million in October.
- On November 17, 2016, an increase in the share capital was registered through the exercise of three warrant programs. In total, 982,602 options were exercised, corresponding to 982,602 new shares, totaling SEK 2.7 million.
- The total number of shares amounted to 18,828,653 after the above issue and exercise of options, corresponding to share capital of SEK 1,882,865.30.
- On November 21, Micael Hamberg became the Chief Operation Officer (COO) and has primary responsibility for the company's supply chain. Hamberg will join the management team and focus on customers, quality and delivery precision.
- In July, a loan of SEK 5 million was provided from one of the main owners at an interest rate of 5% and a maturity date of December 31, 2016. In December the maturity date was extended to February 28, 2017. In conjunction with the loan, a floating charge of SEK 5 million was pledged to the lender. The loan, including the interest, was converted to new shares in combination with the issue of new shares that was concluded in the beginning of March.
- As at the balance sheet date, ChromoGenics AB did not have sufficient liquidity to cover its expenses for the next 12 months. A short-term financing from the main owners was completed in December for a total of SEK 18.0 million, of which SEK 9.0 million was paid in December and another SEK 9.0 million was paid in January 2017 to cover the finance need until the completion of the issue of new shares of SEK 117 million when the short-term financing was converted into new shares. For more information, refer to *Cash flow and financial position* in this report.

ChromoGenics

January – December 2016

- Revenue amounted to SEK 3.0 (0.0) million. The ConverLight™ product was commercialized during the year and the first deliveries began during the summer. There is considerable interest and a number of discussions and negotiations are ongoing.
- The net income for the period amounted to SEK -49.5 (-43.5) million, corresponding to SEK -3.80 (-8.82) per share.
- Following a resolution by an extraordinary general meeting in December 2015, a 27:1 reverse split was registered in January 2016, after which the number of registered shares amounted to 9,820,478.
- At a meeting of the Board of Directors on February 24, 2016, a decision was made regarding the issue of shares. A new share issue brought in SEK 13.8 million, corresponding to 5,104,101 shares. The new share issue was registered in June 2016. The total number of shares after registration was 14,924,579.
- At the Annual General Meeting on June 20, 2016, Anders Brännström was re-elected Chair of the Board and Poul Erik Schou-Pedersen and Claes-Göran Granqvist were re-elected members of the Board. Jerker Lundgren was elected member of the Board. The Meeting resolved to release the Board of Directors and the CEO from liability for the 2015 financial year.

Important events after the end of the period

- At an extraordinary general meeting held on January 12, 2017, resolution was passed on the following:
 - Change in company category from a private to a public limited liability company
 - 2:1 reverse split. The total number of shares after the reverse split is 9,414,326 with a share capital of SEK 1,882,865.30.
 - New Articles of Association
- On February 8, 2017, the company announced that it is applying for a listing on Nasdaq First North and published a prospectus with the intention of conducting a new share issue for institutional investors and the general public in Sweden of SEK 117.3 million, excluding a potential over-allocation option of SEK 12.7 million. At the time of the announcement, subscription agreements from major shareholders as well as guarantees through a guarantee consortium had been obtained, representing 82 per cent of the issue and SEK 96 million.
- On February 21, 2017 an announcement was made of a major order to deliver dynamic glass to Fabegé's project the Grand Central Sundbyberg, Stockholm.
- On February 22, 2017 an announcement was made of a Prospectus Supplement to the Prospectus dated February 8, 2017.
- On March 3, 2017 it was announced that ChromoGenics' issue of new shares oversubscribed and that it will provide the company with approximately SEK 119 million, of which 117.3 million correspond to the basic offer. The settlement is expected to be paid on March 8, 2017 to the Company, excluding transaction costs and conversions of shareholder loans and guarantee fees. Excess amounts of 117.3 million, may be subject to normal market stabilization and / or involve the use of over-allotment option. No allocation has thus been made to the consortium that guaranteed the new share issue for approximately SEK 41 million, on top of the subscription agreements, up to a total subscription rate of 90 percent.

The issue of new shares will provide the company with over 2,000 new shareholders. The number of outstanding shares in ChromoGenics will increase, under the implementation of the basic offer, from 9,414,326 to 23,214,326.

Trading in shares and warrants will commence March 23, 2017, provided an approved listing application.

This report discusses the development for the period October-December 2016 compared to the same period in 2015, unless otherwise stated.

ChromoGenics

Comments from the CEO

After successful development of technology, products and production processes, ChromoGenics is now fully committed to a commercialization, moreover, as a public company.

We are extremely pleased that so many have shown interest to subscribe for shares in our company in connection with the issue of new shares of SEK 117 million which was oversubscribed and completed in early March. It feels fantastic to launch the next phase of ChromoGenics. We will create value for both customers and shareholders and other stakeholders through the full-scale launch of our dynamic glass that makes buildings more attractive by saving energy and significantly increasing indoor comfort.

Our dynamic ConverLight™ glass offers property owners, architects, construction companies and players in the glass industry cost-efficient solar protection. Daylight and contact with the surroundings raise the level of comfort and well-being. ConverLight™ controls the heat- and light transmission while still offering daylight and a full view of the surroundings. With ConverLight™, customers can lower costs more than with traditional external solar protection, which is exposed to sun and wind and thus requires maintenance. The investment in our technology results in lower maintenance costs, as well as in improved energy efficiency and indoor comfort. Moreover, our technology and business model facilitate efficient, sustainable distribution around the world.

If you want to maximize a building's energy efficiency, it should not have windows, glass facades or glass ceilings. But what we are seeing today is that the trend in architecture is moving in the opposite direction toward more windows and glass. People need daylight and contact with their surroundings to feel good, and property owners and project developers want to offer attractive properties. ChromoGenics' dynamic glass offers cost-efficient control of heat- and light transmission, which means that energy consumption for cooling can be reduced while at the same time enabling architectural freedom and contact with the surroundings.

Demand for dynamic glass is growing due to a greater focus on sustainability. If the EU is to be able to meet the climate target of a 20-percent reduction in energy consumption and greenhouse gas emissions by 2020, it will be necessary to make buildings more energy-efficient. Since a large part of energy consumption as a whole is related to the warming up and cooling down of buildings, the construction sector will play a crucial role in meeting the climate targets. ConverLight™ helps buildings achieve energy certification, such as Miljöbyggnad, LEED and BREEAM.

Market surveys show that the market for dynamic glass could dramatically increase in the next few years due to the focus on energy efficiency and new opportunities such as the Internet of Things (IoT). ChromoGenics is in a very interesting phase with many opportunities to position itself as a leader in the market.

We have already begun production and sales of our dynamic ConverLight™ glass in the Nordic market. The glass has been installed in both Sweden and Norway and we have received confirmation that our offer works all the way to final installation at the customer site. Through the company's establishment on the market, we have also learned a lot about delivery and production processes, from which we can benefit in the future.

Extensive resources and time have been invested to reach the position we are at today. A recent reorganization of the operations to more clearly focus on sales and production is creating good conditions for continued commercialization and future profitability. We will now target our resources to achieve a rapid expansion by continuing to invest in sales and production. Join us on our journey!

Thomas Almesjö, CEO

Business operations during Q4 2016

ChromoGenics is in a new phase as it transforms from a development company into a sales and production company. Its ConverLight™ glass laminate product, including control systems, was finalized for commercialization during the first half of the year. The first orders of ConverLight™ glass laminate were delivered to customers in Norway and Sweden. Customer orders consist of delivering glass laminate with adjustable (light/dark) electrochromic solar protection to real estate customers, primarily to raise the level of indoor comfort and energy efficiency in the form of a reduced need for cooling, but also in order to avoid the need to install exterior solar protection that requires more maintenance, breaks down and can negatively affect the appearance of a building.

A few additional smaller customer contracts were delivered in Q4 2016 and commissioning of the control system was completed in the majority of these projects. Sales projects have consisted of deliveries to hotels, factories, office buildings and schools, both in the form of new constructions and “retro-fit”, i.e. the replacement of windows on existing buildings.

During the third quarter, a proposal was prepared for a company reorganization. At the beginning of October, a large number of employees in the company was notified and negotiations began with local unions. The negotiations were concluded at the beginning of November and six people were made redundant, primarily within process development. Two employees who had resigned earlier left the company during the fourth quarter. The company is planning to employ staff within sales and production. Work continues on product development. In November, Micael Hamberg became COO and has primary responsibility for the company's supply chain. Hamberg will join the management team and focus on customers, quality and delivery precision.

Results Q4 2016

Revenue amounted to SEK 0.3 (0.0) million in Q4 2016. ConverLight™ was commercialized during the year and is still in its initial sales stage.

Costs for goods sold amounted to SEK 3.3 (0.0) million. Costs are initially high since it has not yet been possible to negotiate volume discounts, and material consumption and process costs are higher since the production yield and all of the processes have not yet been quality assured.

Depreciation/amortization and impairment amounted to SEK 2.5 (1.7) million in Q4 2016. This increase is primarily due to an impairment loss of SEK 1.0 million for capitalized expenditure in R&D related to a test system where the company chose a different solution.

Selling and administrative expenses amounted to SEK 3.5 (2.7) million. The increase is primarily due to the establishment of the sales and marketing unit and its activities to commercialize ConverLight™.

Development expenditure amounted to SEK 5.5 (10.5) million. During the quarter, expenditure for R&D was burdened primarily by restructuring costs of approximately SEK 1.3 million. Additional reductions are primarily due to the completion of the commercialization of ConverLight™ during the year, but work on product development continues.

The company's operating income amounted to SEK -11.6 (-13.0) million.

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

Results January-December 2016

Revenue amounted to SEK 3.0 (0.0) million. ConverLight™ was commercialized during the year and is still in its initial sales stage.

Costs for goods sold amounted to SEK 15.0 (0.0) million. Costs are initially high since it has not yet been possible to negotiate volume discounts, and material consumption and process costs are higher since the production yield is not yet optimized. Re-deliveries were required for some customer projects and initial costs were thus significantly higher. In some cases, the glass broke in transit or while mounting and was replaced with new glass, and in another project there was a misunderstanding between the customer, the insulated glass manufacturer and ChromoGenics, which resulted in a need to replace some of the glass laminate. ChromoGenics has paid for the re-delivery of glass laminate to these first reference projects.

Depreciation/amortization and impairment amounted to SEK 7.3 (5.2) million. This increase is primarily due to an impairment loss of SEK 1.0 million in Q4 2016 for capitalized expenditure in R&D related to a test system where the company chose a different solution.

Selling and administrative expenses amounted to SEK 11.8 (6.7) million. The increase is primarily due to the establishment of the sales and marketing unit and its activities to commercialize ConverLight™.

Development expenditure amounted to SEK 26.1 (37.1) million. The decrease is primarily due to the completion of the commercialization of ConverLight™ during the year, but product development work continues.

The company's operating income amounted to SEK -49.3 (-43.5) million.

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

Cash flow and financial position

Cash flow from the operating activities including change in working capital for Q4 2016 amounted to SEK -8.9 (-6.0) million.

Net cash flow from investing activities amounted to SEK 0.0 (8.8) million. The decrease is primarily due to a liquidity shortfall in 2016 due to increased production and selling expenses.

Net cash flow from financing activities amounted to SEK 15.2 (12.8) million. During the quarter a new issue was carried out which contributed SEK 7.9 million in cash and cash equivalents, of which SEK 4.0 million was paid already in September as an advance. In October, several shareholders decided to exercise options from three different warrant programs for a total of SEK 2.7 million. In December, the maturity date for a loan totaling SEK 5 million from K-svets Venture AB with 5% interest and maturing on December 31, 2016, was postponed until February 28, 2017. The agreement allows for the possibility of the lender to convert the loan into shares during a future issue instead of accepting repayment. On February 8, 2017, the company announced a prospectus with the intention of conducting a new share issue of SEK 117.3 million, excluding a possible over-allotment of SEK 12.7 million, to a price per unit of 8.50 SEK. K-svets converted the loan and interest to shares within the issue of new shares.

Cash and cash equivalents amounted to SEK 8.5 million on December 31, 2016, compared to SEK 10.9 million on December 31, 2015.

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On the closing date, the company did not have sufficient liquidity to cover its needs over the next 12 months. The company has initial income in its current commercialization phase, but this revenue does not yet cover the company's total costs. See *Liquidity risk* for more information.

In December, a short-term financing was completed of SEK 18.0 million from the main owners, of which SEK 9.0 million was paid in December and another SEK 9.0 million was paid in January 2017, to cover the financing need until the now concluded issue of new shares of SEK 117.3 million, in which the loans and interest were converted into shares.

On March 3, 2017 it was announced that ChromoGenics' issue of new shares oversubscribed and that it will provide the company with approximately SEK 119 million, of which 117.3 million correspond to the basic offer. The settlement is expected to be paid on March 8, 2017 to the company, excluding transaction costs and conversions of shareholder loans and guarantee fees. Excess amounts of 117.3 million, may be subject to normal market stabilization and / or involve the use of over-allotment option.

The issue of new shares will provide the company with over 2,000 new shareholders. The number of outstanding shares in ChromoGenics will increase, under the implementation of the basic offer, from 9,414,326 to 23,214,326.

The company has thus secured the liquidity for at least the next 12 months.

At the end of the period, equity amounted to SEK -36.0 million, compared to SEK -10.5 million on December 31, 2015.

The Board of Directors prepared a balance sheet for liquidation purposes on July 31st 2014 since the reported equity was negative. Among the company's liabilities is a conditional loan from the Swedish Energy Agency which, according to the loan agreement and the regulations set out in the Companies Act (25:14), may be eliminated upon preparation of a balance sheet for liquidation purposes. As at December 31, 2016, reported equity amounted to SEK -36.0 million. The utilized conditional loan from the Swedish Energy Agency amounted to SEK 48.8 million of the total credit line of SEK 63.8 million. Due to a change in the business plan, it will not be possible to utilize additional funds. The Board of Directors has made the assessment given the terms and conditions of the loan, which are described above, that adjusted equity amounts to SEK 12.5 million, and no balance sheet for liquidity purposes is thus required as at December 31, 2016.

The completion of the issue of new shares will provide the company with a positive reported equity to the forthcoming reporting period.

Investments

The company's investments are primarily in machinery for production and capitalization of R&D expenditure and patents. Because the company had not secured long-term financing in 2016, only smaller investments were made. Investments in Q4 2016 amounted to net SEK -0 (8.8) million and during the period January to December SEK -0.5 (-13.7) million.

Employees

The average number of employees was 14 (18) during Q4 2016 and 18 (17) during the period January-December 2016. The number of employees per December 31, 2016 was 21 (21). Of these, 6 were made redundant in November due to the extensive reorganization. The last day of employment falls during the first half of 2017. During the third quarter, two employees resigned. Their employment ended in October and December, respectively.

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Share capital

As at December 31, 2016, the share capital amounted to SEK 1,882,865 represented by 18,828,653 shares, each with a quotient value of SEK 0.1. At an extraordinary general meeting held on January 12, 2017, a resolution was passed on a 2:1 reverse split. After the reverse split, share capital amounted to SEK 1,882,865 represented by 9,414,326 shares, each with a quotient value of SEK 0.2.

On November 16, an increase to the share capital of SEK 7.9 million from a new share issue was registered, corresponding to 2,921,472 new shares. In total, SEK 4.0 million was paid in September and SEK 3.9 million in October.

On November 17, 2016, an increase in the share capital was registered through the exercise of three warrant programs. In total, 982,602 options were exercised, corresponding to 982,602 new shares, totaling SEK 2.7 million.

The reported equity amounted to SEK -36.0 million on December 31, 2016, compared to SEK -10.5 million on December 31, 2015.

Shareholders

As at December 31, 2016, there were 45 shareholders in ChromoGenics. The largest shareholders in the company are presented in the following table.

Shareholders per December 31, 2016	No of shares	Holdings %
Ksvets Venture AB	6 872 103	36%
New Energy Solutions II K/S	6 826 025	36%
Volvo Group Venture Capital AB	1 008 933	5%
Bengt Josefsson Utveckling AB	1 000 000	5%
Castab AB	709 109	4%
Fastighets AB Thuleskär	555 556	3%
Bengt Josefsson	405 556	2%
Ergonor AB	358 149	2%
Uppsala Universitet Holding AB	245 771	1%
Övriga	847 451	5%
Totalt antal	18 828 653	100%

Annual General Meeting 2017

The Annual General Meeting will be held on May 10, 2017 at 14.00 CET at Advokatfirman Lindahl's offices at Vaksalagatan 10 in Uppsala. Information about the Annual General Meeting will be available at www.chromogenics.com

Proposed dividend

Given the company's earnings and need for capital to grow, the Board of Directors is not proposing a dividend for the 2016 financial year.

Annual report

The annual report will be published on March 28, 2017 and be available at www.chromogenics.com and at the company's head office on Ullforsgatan 15, Uppsala.

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 management of the company is trying to manage these risks by identifying, evaluating and where appropriate mitigating them. For more information, see the Prospectus dated February 8, 2017 available at: <http://www.chromogenics.com/sv/prospekt/>

Liquidity risk

On the closing date, the company did not have sufficient liquidity to cover its needs for the next 12 months. Cash and cash equivalents amounted to SEK 8.5 million on December 31, 2016. Since the company started to commercialize its product, ConverLight™, in 2016, revenue in 2017 is not expected to cover the company's expenses/costs. The company is dependent on external capital for its continued operations.

The now completed issue of new shares of SEK 117.3 million is expected to cover the company's financing for at least the next 12 months. The Board's assessment is that the company's financing is assured.

If the Company's capital contribution from the completed issue of new shares does not cover the financing needs until the company has a positive cash flow from operations and the company can not obtain additional capital, there is a risk of a liquidity shortage occurs, which could lead to a liquidation of the Company.

Currency risk

The majority of 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 maintain key staff members.

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Calendar

March 29, 2017	Annual Report 2016
April 28, 2017	Interim Report January-March 2017
May 10, 2017	Annual General Meeting 2017
July 21, 2017	Interim Report January-June 2017
October 26, 2017	Interim Report January-September 2017

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

Uppsala March 8, 2017 CHROMOGENICS AB CIN 556630-1809

Anders Brännström
Chair of the Board

Poul Erik Schou-Pederson
Board Member

Claes-Göran Granqvist
Board Member

Jerker Lundgren
Board Member

Thomas Almesjö
CEO

This information is such that ChromoGenics AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 09:30 CET on March 8, 2017. The Company has appointed G&W Fondkommission as Certified Adviser for the planned listing on the Nasdaq First North, Stockholm

Every care has been taken in the translation of this interim report. In the event of discrepancies, the Swedish original will supersede the English translation.

For more information, please contact:

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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 sales and deliveries to real estate projects in Scandinavia.

ChromoGenics is located in Uppsala and the technology is derived from the world leading research center at Ångström Laboratory at Uppsala University. The company has about 20 employees and the main owners are K-Svets Venture AB and New Energy Solutions II K/S. The plant has been partly financed by a conditional loan from the Swedish Energy Agency. 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 financial year-end report (year-end report) of ChromoGenics AB (publ) as of December 31, 2016 and the twelve-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 March 8, 2017

Öhrlings PricewaterhouseCoopers

Leonard Daun
Authorized Public Accountant
Chief Auditor

Niclas Bergenmo
Authorized 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 Employee Warrant Option 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	2016		2015	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	251	0	3 042	0
Costs of goods and services sold	-3 296	0	-14 973	0
Gross operating income	-3 045	0	-11 931	0
Selling expenses	-1 401	-849	-5 548	-1 767
Administrative expenses	-2 052	-1 825	-6 202	-4 920
R&D expenses	-5 502	-10 529	-26 054	-37 050
Other operating income and expenses	441	215	441	215
Total operating expenses	-8 514	-12 988	-37 363	-43 522
Operating income	-11 559	-12 988	-49 294	-43 522
Financial income	0	0	0	0
Financial expenses	-103	-15	-192	-15
Operating income after financial items	-11 662	-13 003	-49 486	-43 536
Tax	0	0	0	0
Net income	-11 662	-13 003	-49 486	-43 536

Average number of shares before dilution	18 337 352	6 468 008 ¹⁾	13 023 208	4 935 970 ¹⁾
Outstanding shares at the end of the reporting period before dilution	18 828 653	9 820 478 ¹⁾	18 828 653	9 820 478 ¹⁾
Outstanding options at the end of the reporting period	31 241	1 182 402 ¹⁾	31 241	1 182 402 ¹⁾
Earnings per share before dilution, SEK	-0,64	-2,01 ¹⁾	-3,80	-8,82 ¹⁾

¹⁾ Adjusted after a 27:1 reverse split registered in January 2016

Balance Sheet

KSEK	2015 31-dec	2016 30-mar	2016 30-jun	2016 30-sep	2016 31-dec
ASSETS					
Non-current Assets					
Intangible assets	16 826	16 334	15 602	14 832	13 099
Property, plant and equipment	13 746	12 996	12 244	11 481	10 653
Total non-current assets	30 572	29 330	27 846	26 313	23 752
Current Assets					
Inventories and work in progress	1 146	1 411	0	176	0
Trade receivables	0	0	2 207	402	319
Other current receivables	2 390	1 451	1 488	1 637	2 129
Cash and cash equivalents	10 915	10 633	2 494	2 112	8 516
Total current assets	14 451	13 495	6 189	4 327	10 964
TOTAL ASSETS	45 023	42 825	34 035	30 640	34 716
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	26 515	982	1 492	1 492	1 882
Fund, development expenses					298
<i>Non-restricted equity</i>					
Share premium reserve	200 534	210 534	213 804	217 769	223 620
Accumulated profit/loss	-194 023	-212 026	-212 026	-212 026	-212 324
Operating income for the period	-43 536	-12 326	-27 628	-37 824	-49 486
Total equity	-10 510	-12 836	-24 358	-30 589	-36 010
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities	49 670	49 670	49 670	49 670	49 670
Total non-current liabilities	49 670				
Current liabilities					
Current interest-bearing liabilities	0	0	0	5 000	14 000
Trade payables	1 652	2 228	2 953	3 130	2 076
Other current liabilities	4 211	3 763	5 770	3 429	4 980
Total current liabilities	5 863	5 991	8 723	11 559	21 056
TOTAL EQUITY AND LIABILITIES	45 023	42 825	34 035	30 640	34 716

Statement of Cash Flows

KSEK	2016		2015	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
OPERATING ACTIVITIES				
Profit/loss before tax	-11 559	-12 987	-49 293	-43 522
<i>Adjustments for non-cash items:</i>				
Financial income and expenses	-103	-15	-192	-15
Depreciation/amortization and impairment	2 542	1 728	7 300	5 158
Capitalization of R&D expenditure	0	0	0	-880
Cash flow from operating activities before changes in working capital	-9 120	-11 274	-42 185	-39 259
<i>Cash flow from changes in working capital</i>				
Increase(-)/decrease(+) inventories	176	-1 146	1 146	-1 146
Increase(-)/decrease(+) trade receivables	83	0	-319	0
Increase(-)/decrease(+) current receivables	-115	4 688	261	-303
Increase(+)/decrease(-) trade payables	-1 179	-27	424	-1 537
Increase(+)/decrease(-) current liabilities	1 298	1 800	768	-639
Cash flow from changes in working capital	263	5 315	2 280	-3 625
Cash flow from operating activities	-8 857	-5 959	-39 905	-42 884
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment and intangible assets	21	-8 805	-479	-13 910
Sale of property, plant and equipment	0	0	0	189
Cash flow from investing activities	21	-8 805	-479	-13 721
FINANCING ACTIVITIES				
New share issue	6 240	12 812	24 020	25 144
Borrowings	9 000	0	14 000	7 500
Repayment of debt	0	0	-35	0
Cash flow from financing activities	15 240	12 812	37 985	32 644
CASH FLOW FOR THE PERIOD	6 404	-1 952	-2 399	-23 961
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	2 112	12 867	10 915	34 876
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8 516	10 915	8 516	10 915

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 2015	11 166		1 125	17 254	189 614	-211 277	7 882
New share issues	15 349		-1 125		10 920		25 144
Appropriation of profit 2014				-17 254		17 254	0
Operating income for the period						-43 536	-43 536
Equity 31 Dec 2015	26 515	0	0	0	200 534	-237 559	-10 510

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	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

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 BFAR 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 2016-01-01	Redeemed	Matured	De-registered	Close. Bal. no of warrants 2016-12-31
2011-05-25	2016-02-28	120 412	1,08	81,00	120 412	0	120 412		0
2011-12-21	2016-10-31	157 856	0,00	2,70	149 268	149 268	0		0 ¹⁾
2012-04-03	2016-02-28	11 111	6,21	81,00	11 111	0	11 111		0
2014-12-12	2019-12-31	416 666	0,00	2,70	416 666	416 666	0		0 ¹⁾
2015-02-16	2019-12-31	15 315	0,00	2,70	15 315	0	0		15 315 ¹⁾
2015-06-11	2020-06-30	416 667	0,00	2,70	416 667	416 667	0		0 ¹⁾
2015-06-26	2020-06-30	37 037	0,95	27,00	37 037	0	0	37 037	0
2015-07-23	2020-06-30	15 926	0,00	2,70	15 926	0	0		15 926 ¹⁾
Total					1 182 402	982 601	131 523	37 037	31 241

All warrants have been adjusted for a 27:1 reversed split registered in January 2016.

¹⁾ These warrant programs are part of a unit issue with the right to subscribe to one share and one warrant that targets the company's principal owners and deviates from the shareholders' preferential rights.

All warrant programs target the company's main shareholders, shareholders and key staff members.

In October 2016, three shareholders exercised their warrants under three different programs. During 2016, three of the warrant programs matured, of which one was 100% exercised and two weren't exercised at all due to too high redemption price.

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
2015	New share issue	21	265 152 906	0,1	26 515 290	0		2016-01-16
2015	27:1 reversed split	-255 332 428	9 820 478	0,1	982 048	0		2016-01-16
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
Total			9 414 326		1 882 865	223 210 379	20 833 689	

Share development during the year

As at January 1, 2016, there were 265,152,906 shares. In January, a 27:1 reverse split was registered following a resolution by an extraordinary general meeting in December 2015. The number of shares as at January 31 totaled 9,820,478. In February, a resolution was passed on a new share issue to the company's principal owners totaling 3,703,704 shares, which was completed in March. A resolution was also passed to conduct a new share issue targeting the company's other shareholders, which was carried out in April and May. Both of the new share issues were registered in June 2016. As at June 30, there were 14,924,579 shares.

A resolution on a new share issue was passed in October for a total of SEK 2,921,472 shares. The primary owners made a pre-payment in September of SEK 4 million. In October, the primary owners and one additional owner decided to exercise various employee share-option plans. In total, they exercised 982,602 options, corresponding to 982,602 new shares. The new share issue and the exercised options were registered in November 2016. As at November 17, 2016, the total number of shares amounted to 18,828,653, corresponding to share capital of SEK 1,882,865.30 with a quotient value of SEK 0.1.

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 quotient value of SEK 0.2.

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 180,000 for the period January-December 2016.

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% and maturity on December 31, 2016. In December the maturity date was postponed until February 28, 2017. The loan was converted into 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 converted into 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-jun	2016 30-sep	2016 31-dec
Floating charge	K-Svets Venture AB	0	5 000	5 000
Restricted cash		0	0	0
Total		0	5 000	5 000

Income Statement per isolated quarter

KSEK	2016	2016
	Iso. Q3	Iso. Q4
Net sales	1 025	251
Costs of goods and services sold	-2 290	-3 296
Gross operating income	-1 265	-3 045
Selling expenses	-1 549	-1 401
Administrative expenses	-1 246	-2 052
R&D expenses	-6 060	-5 502
Other operating income and expenses	0	441
Total operating expenses	-8 855	-8 514
Operating income	-10 120	-11 559
Financial income	0	0
Financial expenses	-76	-103
Operating income after financial items	-10 196	-11 662
Tax	0	0
Net income	-10 196	-11 662

Average number of shares before dilution	14 924 579	18 337 352
Outstanding shares at the end of the reporting period before dilution	14 924 579	18 828 653
Outstanding options at the end of the reporting period	14 955 820	31 241
Earnings per share before dilution, SEK	-0,68	-0,64

¹⁾ Adjusted after a 27:1 reverse split registered in January 2016

Statement of Cash Flows isolated quarters

KSEK	2016 Iso. Q3	2016 Iso. Q4
OPERATING ACTIVITIES		
Profit/loss before tax	-10 121	-11 559
<i>Adjustments for non-cash items:</i>		0
Financial income and expenses	-76	-103
Depreciation/amortization and impairment	1 583	2 542
Capitalization of R&D expenditure	0	0
Cash flow from operating activities before changes in working capital	-8 614	-9 120
<i>Cash flow from changes in working capital</i>		
Increase(-)/decrease(+) inventories	-176	176
Increase(-)/decrease(+) trade receivables	1 805	83
Increase(-)/decrease(+) current receivables	-149	-115
Increase(+)/decrease(-) trade payables	304	-1 179
Increase(+)/decrease(-) current liabilities	-2 504	1 298
Cash flow from changes in working capital	-720	263
Cash flow from operating activities	-9 334	-8 857
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	-49	21
Sale of property, plant and equipment	0	0
Cash flow from investing activities	-49	21
FINANCING ACTIVITIES		
New share issue	4 001	6 240
Borrowings	5 000	9 000
Repayment of debt	0	0
Cash flow from financing activities	9 001	15 240
CASH FLOW FOR THE PERIOD	-382	6 404
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	2 494	2 112
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2 112	8 516