

Year-End Report 2017

2017 – An intense year during which we established the base for an aggressive market expansion!

Q4 2017

- Net sales for the period amounted to SEK 0.8 (0.3) million.
- Earnings for the period amounted to SEK -19.9 (-11.7) million, which corresponds to earnings per share of SEK -0.86 (-1.27). During the quarter a provision of SEK 2.3 million related to replacements of previous deliveries was made for some of the first commercial projects.
- Cash and cash equivalents as at December 31 amounted to SEK 38.5 million.
- During the quarter, ChromoGenics invoiced and completed deliveries of dynamic glass for the second of four partial deliveries to Atrium Ljungberg's project, Gränbystaden, in Uppsala.
- Åsa Stroofe assumed the role of Chief Marketing Officer.
- Strengthened organization with sales and customer project managers for increased sales capacity.
- Poul Erik Schou-Pedersen resigned from the Board January 31, 2018, at his own request due to that he enters an operational role as CEO of a Danish company and thus no longer can set aside time.
- ChromoGenics raised financing for at least 12 months after the end of the reporting period through a preferential rights issue totaling gross approximately SEK 33 million that was concluded in January 2018.
- The Board of Directors is working continuously to secure the company's long-term financial position.

SEK million	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	0,8	0,3	6,9	3,0
EBITDA	-18,3	-9,0	-51,0	-42,2
Net income	-19,9	-11,7	-57,2	-49,5
EPS before dilution, SEK	-0,86	-1,27	-3,17	-7,60
EPS after dilution, SEK	-0,86	-1,27	-3,17	-7,60
Cash and cash equivalents at end of the period	38,5	8,5	38,5	8,5

About ChromoGenics

ChromoGenics offers dynamic glass with controllable heat- and light transmission. The company's unique technology ConverLight® provides sustainable solar control for increased indoor comfort and energy efficiency. ConverLight® also contributes to Green Building certifications. In 2016 the company started commercial sales to real estate projects in Scandinavia.

ChromoGenics is located in Uppsala, Sweden, and 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.

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“A challenging year during which we learned a lot and received confirmation that there is a market demand for our dynamic glass. We are now ready to take on larger volumes!”

Comments from the CEO

In 2017, we installed a number of reference projects. ConverLight® is now operational in newly built commercial premises such as offices and hotels as well as service buildings such as libraries and schools. During the year, challenges of establishing a new business has caused several replacement deliveries, which has resulted in very high costs. We are transitioning from being a development company to running fully commercial operations that include both production and delivery of highly technical products to customers with high demands. The challenges have been identified on an ongoing basis and resolved. We are bringing with us valuable experiences from 2017 that will serve as a basis for our continued improvement efforts. The costs of goods sold are expected to normalize during 2018.

We have constantly had very positive response from our customers. Our customers are satisfied with the functionality of our product, and we can demonstrate that ConverLight® is fulfilling its purpose - saving energy and creating significantly improved indoor comfort as well as reducing maintenance costs. During the fall, we strengthened the organization mainly with sales managers, but also customer project managers to increase our sales capacity. We have also taken our first steps into the Danish market. During the year, we have increased our market presence and we are significantly better equipped to increase sales and delivery volumes in 2018.

During the quarter, ChromoGenics completed the second of four partial deliveries of dynamic glass to Atrium Ljungberg's project, Gränbystaden, in Uppsala. The project has a high environmental profile and all new construction will be environmentally certified in accordance with the BREEAM standard. This is an important customer reference for us.

Through the completed rights issue, we have secured financing to be able to take on larger project deliveries with a strengthened organization to better support our customers.

Energy efficiency in buildings is a highly prioritized area politically since buildings represent one-third of the final consumption of all energy and global carbon dioxide emissions. If we were to truly maximize a building's energy efficiency, the building would not have windows, glass facades or glass ceilings, but design and architecture is developing in the opposite direction. The use of glass in buildings is increasing since people need daylight and visual contact with their surroundings to feel good. This is where our sustainable technology makes a difference!

During the year we established a platform for the future. The company is now targeting an offensive scale up of sales as well as production to reach, in a five-year term, yearly deliveries of ConverLight® over 100,000 sqm!

Thomas Almesjö, CEO



ChromoGenics

This report comments on developments during the periods October-December 2017 and January-December 2017 compared to the same periods in 2016, unless otherwise specified.

Results

Net sales amounted to SEK 0.8 (0.3) million for Q4 2017 and SEK 6.9 (3.0) million for January to December. ConverLight® is still in its initial phase of sales and production.

Costs of goods sold amounted to SEK 8.7 (3.3) million for the fourth quarter and SEK 29.4 (15.0) million for January to December. During the fourth quarter, a provision of SEK 2.3 million was made related to replacement of deliveries to some of the very first commercial projects. Costs continue to be initially high since material consumption and process yield are not yet fully optimized and negotiated volume discounts are yet to be realized. A number of deliveries have had to be replaced during the year due to the challenges of establishing the new business. The root causes have derived from defected direct material, disturbances within production processes – mainly the external such as isolated glass unit (IGU) manufacturers as well as complications with installation and commissioning at customer site. These initial challenges have been identified, resolved and quality-assured heading into 2018.

Depreciation/amortization and impairment amounted to SEK 1.5 (2.5) million for the fourth quarter and SEK 6.2 (7.3) million for January to December.

Selling and administrative expenses amounted to SEK 7.2 (3.5) million for the fourth quarter and SEK 20.5 (11.8) million for January to December. The increase is primarily due to the establishment of a sales and marketing unit and its activities to commercialize ConverLight®. There are also administrative expenses related to being a listed company, after the initial public offering.

Development expenditure amounted to SEK 4.7 (5.5) million for the fourth quarter and SEK 14.1 (26.1) million for January to December. The decrease for the full year 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 intensified during the fourth quarter.

The company's operating income amounted to SEK -19.9 (-11.6) million for the fourth quarter and SEK -57.0 (-49.3) million for the period January to December. 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 (-0.2) million during the period January to December. 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 -17.4 (-8.9) million for the fourth quarter and SEK -55.5 (-39.9) million for the period January to December.

Net cash flow from investing activities amounted to SEK -0.9 (-0.0) million for the fourth quarter and SEK -1.3 (-0.5) million for January to December. The investment is related to an autoclave, a pressure- and temperature chamber, which was previously outsourced to a subcontractor. Through the investment, the company will shorten delivery lead times and also have the option of bringing in external work should there be overcapacity.

Net cash flow from financing activities amounted to SEK 0.0 (15.2) million for the fourth quarter and SEK 86.7 (38.0) million for the period January to December.

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Long-term interest-bearing liabilities of SEK 49.3 million and short-term of SEK 0.3 million refer to a conditional loan from the Swedish Energy Agency.

Cash and cash equivalents amounted to SEK 38.5 million on December 31, 2017, compared to SEK 56.7 million on September 30, 2017, and SEK 8.5 million on December 31, 2016. In January 2018, the company raised SEK 33 million gross via a preferential rights issue.

At December 31, 2017, reported equity amounted to SEK 7.5 million, compared to SEK 27.4 million on September 30, 2017, and SEK -36.0 million on December 31, 2016.

Investments

The company's investments are production equipment and capitalization of R&D expenditure and patents. The investments during the period January to December 2017 amounted to net SEK -1.3 (-0.5) million.

Employees

On average, there were 14 (14) employees (FTE) in the fourth quarter and 13 (18) for full-year 2017. The average number of employees (FTE) including temporary staffing and consultants was 27 in the fourth quarter. There were 16 employees on December 31, 2017, compared to 14 employees on September 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. The company also strengthened its organization in logistics, production and sales. Other production staff are currently contracted from an employment agency. The company intends to continue to strengthen its sales and marketing unit to increase sales capacity.

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 for SEK 117.3 million. As a result, the company gained 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 December 31, 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 7.5 million on December 31, 2017, compared to SEK -36.0 million on December 31, 2016.

In January 2018, a preferential rights issue was completed that raised approximately SEK 33 million for the company before issue expenses and approximately SEK 25 million after issue expenses. Following the rights issue, the company gained 18,974,669 shares and 18,974,669 warrants (TO2).

One (1) warrant (TO2) entitles the holder to the subscription of one (1) new share at SEK 3.50 during the period January 10-31, 2020. As a result of the share issue, the warrants (TO1) from the IPO in March 2017 were recalculated so that each warrant entitles the holder to the subscription of 0.26 shares at a subscription price of SEK 9.87 during the period May 1-31, 2018.

After registration of the rights issue, as at February 21, 2018, the share capital amounts to SEK 8,437,799 represented by 42,188,995 shares, each with a quotient value of SEK 0.2.

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 December 31, 2017, the largest shareholders in the company consisted of:

Shareholder per 2017-12-31	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	690 321	3,0%
BENGT JOSEFSSON UTVECKLING AB	558 800	2,4%
VOLVO GROUP VENTURE CAPITAL	504 467	2,2%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	388 204	1,7%
HANDELSBANKEN LIV	361 425	1,6%
CASTAB AB	354 555	1,5%
WIMAN, KRISTIAN	300 001	1,3%
DANSKE BANK INTERNATIONAL S.A.	300 000	1,3%
OTHERS	10 162 735	43,8%
TOTAL	23 214 326	100,0%

Source: Euroclear AB

Shareholder list after the completed rights issue is not yet available from Euroclear due to late registration with the Swedish Companies Registration Office. An updated shareholder list as of February 28, 2018 will be announced on March 6, 2018, preliminary.

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: www.chromogenics.com/financial-reports/

Liquidity risk

Cash and cash equivalents amounted to SEK 38.5 million on December 31, 2017. The preferential rights issue in January 2018 raised approximately SEK 33 million gross, which secures the financing for at least twelve months ahead of an aggressive market expansion. The Board of Directors is working continuously to secure the company's long-term financial position. ChromoGenics' future capital needs are determined by a large number of factors such as planned expansion pace, production development, product development and the company's reported ongoing sales development and achieved gross margins. The Board evaluates several possible scenarios that could lead to different funding needs. Financing can in turn be obtained from different sources and implemented in different ways depending on current market conditions.

Since the company is still in an initial phase of commercialization, income is not expected to cover the company's expenses/costs in 2018. Cash flow from operating activities amounted to SEK -55 million for the period January – December 2017 and budget for full year 2018 is estimated to shortfall.

If the company's cash and cash equivalents do 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 a liquidation of the company.

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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 30 employees, including contracted staffing, 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.

Annual General Meeting 2018

The Annual General Meeting will be held on May 16, 2018, at 2:00 PM CET, at the offices of Advokatfirman Lindahls on Vaksalagatan 10 in Uppsala, Sweden. Information about the Annual General Meeting will be available at, for example, www.chromogenics.com

Proposed dividend

Given that the company's earnings, financial position and need for capital to the growth phase, the Board of Directors is not proposing a dividend for the 2017 financial year.

Annual Report 2017

The Annual Report 2017 will be published on March 22, 2018, at www.chromogenics.com and be available at the company's head office on Ullforsgatan 15, Uppsala, Sweden.

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Calendar

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 year-end report provides a fair and accurate view of the company's operations, financial position and performance and describes the significant risks and uncertainty factors facing the company.

Uppsala, February 23, 2018 CHROMOGENICS AB (publ) CIN 556630-1809

Anders Brännström
Chair of the Board

Peter Gustafson
Board Member

Claes-Göran Granqvist
Board Member

Jerker Lundgren
Board Member

Mari Broman
Board Member

Thomas Almesjö
CEO

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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 February 23, 2018, at 8:30 a.m. CET.

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

About ChromoGenics

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Auditor's Report of the Review of Condensed Interim Financial Information (Interim Report) prepared in accordance with 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 at December 31, 2017 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, February 23, 2018

Öhrlings PricewaterhouseCoopers

Leonard Daun
Authorized Public Accountant
Auditor-in-charge

Niclas Bergenmo
Authorized Public Accountant

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Income Statement

KSEK	2017		2016	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	764	251	6 857	3 042
Costs of goods and services sold	-8 664	-3 296	-29 375	-14 973
Gross operating income	-7 900	-3 045	-22 518	-11 931
Selling expenses	-4 080	-1 401	-11 033	-5 548
Administrative expenses	-3 123	-2 052	-9 506	-6 202
R&D expenses	-4 689	-5 502	-14 147	-26 054
Other operating income and expenses	-71	441	194	441
Total operating expenses	-11 963	-8 514	-34 492	-37 363
Operating income	-19 863	-11 559	-57 010	-49 294
Financial income	0	0	0	0
Financial expenses	0	-103	-211	-192
Operating income after financial items	-19 863	-11 662	-57 221	-49 486
Tax	0	0	0	0
Net income	-19 863	-11 662	-57 221	-49 486

Average number of shares before dilution ¹⁾	23 214 326	9 168 676	18 067 042	6 511 604
Average number of shares after dilution ¹⁾	23 214 326	9 168 676	18 067 042	6 511 604
Outstanding shares at the end of the reporting period before dilution ¹⁾	23 214 326	9 414 326	23 214 326	9 414 326
Outstanding options at the end of the reporting period ¹⁾	13 936 932	15 621	13 936 932	15 621
Earnings per share before dilution, SEK ¹⁾	-0,86	-1,27	-3,17	-7,60
Earnings per share after dilution, SEK ¹⁾	-0,86	-1,27	-3,17	-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 31-dec	2017 31-mar	2017 30-jun	2017 30-sep	2017 31-dec
ASSETS					
Non-current Assets					
Intangible assets	13 099	12 330	11 853	11 115	10 061
Property, plant and equipment	10 653	9 981	9 209	8 446	8 825
Total non-current assets	23 752	22 311	21 062	19 561	18 886
Current Assets					
Inventories and work in progress	0	282	3 910	1 592	6 124
Trade receivables	319	1 588	3 768	3 750	1 981
Other current receivables	2 129	12 908	4 713	3 163	5 957
Cash and cash equivalents	8 516	82 514	66 961	56 701	38 462
Total current assets	10 964	97 292	79 352	65 206	52 524
TOTAL ASSETS	34 716	119 603	100 414	84 767	71 410
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital ¹⁾	1 882	4 643	4 643	4 643	4 643
Fund, development expenses	298	298	298	298	298
<i>Non-restricted equity</i>					
Share premium reserve	223 620	321 662	321 582	321 582	321 582
Accumulated profit/loss	-212 324	-261 810	-261 810	-261 810	-261 810
Operating income for the period	-49 486	-13 293	-23 822	-37 358	-57 221
Total equity	-36 010	51 500	40 891	27 355	7 492
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ²⁾	49 670	49 670	49 670	49 670	49 327
Total non-current liabilities	49 670	49 670	49 670	49 670	49 327
Current liabilities					
Current interest-bearing liabilities	14 000	0	0	0	343
Trade payables	2 076	3 532	2 744	4 492	7 427
Other current liabilities	4 980	14 901	7 109	3 250	6 821
Total current liabilities	21 056	18 433	9 853	7 742	14 591
TOTAL EQUITY AND LIABILITIES	34 716	119 603	100 414	84 767	71 410

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	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
OPERATING ACTIVITIES				
Profit/loss before tax	-19 863	-11 559	-57 010	-49 293
Financial income and expenses	0	-103	-211	-192
<i>Adjustments for non-cash items:</i>				
Depreciation/amortization and impairment	1 538	2 542	6 178	7 300
Cash flow from operating activities before changes in working capital	-18 325	-9 120	-51 043	-42 185
<i>Cash flow from changes in working capital</i>				
Increase(-)/decrease(+) inventories	-4 531	176	-6 123	1 146
Increase(-)/decrease(+) trade receivables	1 768	83	-1 662	-319
Increase(-)/decrease(+) current receivables	-2 794	-115	-3 828	260
Increase(+)/decrease(-) trade payables	2 935	-1 179	5 351	424
Increase(+)/decrease(-) current liabilities	3 571	1 298	1 841	768
Cash flow from changes in working capital	949	263	-4 421	2 279
Cash flow from operating activities	-17 376	-8 857	-55 464	-39 906
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment and intangible assets	-863	21	-1 313	-480
Sale of property, plant and equipment	0	0	0	0
Cash flow from investing activities	-863	21	-1 313	-480
FINANCING ACTIVITIES				
New share issue	0	6 240	77 723	24 022
Borrowings	0	9 000	9 000	14 000
Repayment of debt	0	0	0	-35
Cash flow from financing activities	0	15 240	86 723	37 987
CASH FLOW FOR THE PERIOD	-18 239	6 404	29 946	-2 399
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	56 701	2 112	8 516	10 915
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	38 462	8 516	38 462	8 516

Statement of changes in equity

KSEK	Share capital	Fund, development expenses	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	223 619	-261 809	-36 010

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2017	1 882	298	223 619	-261 809	-36 010
New share issues	2 761		114 839		117 600
New share issue fees			-16 877		-16 877
Operating income for the period				-57 221	-57 221
Equity 31 Dec 2017	4 643	298	321 582	-319 031	7 492

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 ¹⁾	2018-05-31	13 921 312	0,00	9,87	0	0	0	13 921 312
Total 2017-12-31								13 921 312
2018-01-26 ²⁾	2020-01-31	18 974 669	0,00	3,50	0	0	0	18 974 669
Total 2018-02-22					0	0	0	13 921 312

¹⁾ Warrants were issued 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. As a result of the rights issue performed in January 2018, the warrants (TO1) has been recalculated so that each warrant entitles to subscription of 0,26 shares at a redemption price of 9,87 SEK during the period May 1-31 2018.

²⁾ Warrants were issued in combination with a rights issue performed during January 2018. 18,974,669 warrants (TO2) were registered at the Swedish Companies Registration Office on February 21, 2018. One (1) warrant (TO2) entitles to subscription of one (1) new share to the price of 3,50 SEK during the period January 10-31, 2020.

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 2017-12-31			23 214 326	0,2	4 642 865	321 582 773		
2018	Rights issue	18 974 669	42 188 995	0,2	8 437 799	29 410 737		2018-02-21
Total 2018-02-21			42 188 995	0,2	8 437 799	350 993 510		

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.

In January 2018, a rights issue was performed on a 1-1 basis to a unit price of 1,75 SEK/unit. The rights issue brought 18,974,669 new shares to the company. The rights issue was registered on February 21, 2018. After registration, total amount of outstanding shares amounted to 42,188,995 equivalent to a share capital of 8,437,799 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 180,000 for the period Jan-Dec 2017.

Peter Gustafson has, via his own company, invoiced ChromoGenics consultancy fee of a total 107,420 SEK for extra consultation in combination with financing/rights issue during the period Oct-Dec 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		2016	2017	2017	2017	2017
Event	Holder	31-dec	31-mar	30-jun	30-sep	31-dec
Floating charge	K-Svets Venture AB	5 000	5 000	0	0	0
Restricted cash	Euroclear	0	50	50	50	50
Total		5 000	5 050	50	50	50

Income Statement per isolated quarter

KSEK	2016	2016	2016	2016	2017	2017	2017	2017
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4
Net sales	0	1 766	1 025	251	1 015	1 744	3 334	764
Costs of goods and services sold	-2 741	-6 662	-2 290	-3 296	-7 625	-4 748	-8 338	-8 664
Gross operating income	-2 741	-4 896	-1 265	-3 045	-6 610	-3 004	-5 004	-7 900
Selling expenses	-1 075	-1 525	-1 549	-1 401	-1 958	-2 010	-2 985	-4 080
Administrative expenses	-1 412	-1 807	-1 246	-2 052	-1 616	-2 519	-2 248	-3 123
R&D expenses	-7 146	-7 536	-6 060	-5 502	-2 905	-3 004	-3 549	-4 689
Other operating income and expenses	56	470	0	441	-11	26	250	-71
Total operating expenses	-9 577	-10 398	-8 855	-8 514	-6 490	-7 507	-8 532	-11 963
Operating income	-12 318	-15 294	-10 120	-11 559	-13 100	-10 511	-13 536	-19 863
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-8	-8	-76	-103	-193	-18	0	0
Operating income after financial items	-12 326	-15 302	-10 196	-11 662	-13 293	-10 529	-13 536	-19 863
Tax	0	0	0	0	0	0	0	0
Net income	-12 326	-15 302	-10 196	-11 662	-13 293	-10 529	-13 536	-19 863

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	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	23 127 944	23 214 326	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	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	13 936 932
Earnings per share before dilution, SEK ¹⁾	-2,51	-2,82	-1,37	-1,27	-1,21	-0,46	-0,58	-0,86
Earnings per share after dilution, SEK ¹⁾	-2,51	-2,82	-1,37	-1,27	-1,21	-0,46	-0,58	-0,86

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.

Statement of Cash Flows isolated quarters

KSEK	2016				2017			
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4
OPERATING ACTIVITIES								
Profit/loss before tax	-12 316	-15 294	-10 121	-11 559	-13 101	-10 511	-13 536	-19 863
<i>Adjustments for non-cash items:</i>								
Financial income and expenses	-9	-8	-76	-103	-193	-18	0	0
Depreciation/amortization and impairment	1 592	1 588	1 583	2 542	1 559	1 544	1 537	1 538
Capitalization of R&D expenditure	0	0	0	0	0	0	0	0
Cash flow from operating activities	-10 733	-13 714	-8 614	-9 120	-11 735	-8 985	-11 999	-18 325
before changes in working capital								
<i>Cash flow from changes in working capital</i>								
Increase(-)/decrease(+) inventories	-265	1 411	-176	176	-282	-3 628	2 318	-4 531
Increase(-)/decrease(+) trade receivables	0	-2 207	1 805	83	-1 269	-2 180	18	1 768
Increase(-)/decrease(+) current receivables	606	-37	-149	-115	-1 149	-1 266	1 550	-2 794
Increase(+)/decrease(-) trade payables	723	617	304	-1 179	528	148	1 748	2 935
Increase(+)/decrease(-) current liabilities	-262	2 114	-2 504	1 298	-669	2 623	-3 859	3 571
Cash flow from changes in working capital	802	1 898	-720	263	-2 841	-4 303	1 775	949
Cash flow from operating activities	-9 931	-11 816	-9 334	-8 857	-14 576	-13 288	-10 224	-17 376
INVESTING ACTIVITIES								
Acquisition of property, plant and equipment and intangible assets	-351	-104	-49	21	-119	-295	-36	-863
Sale of property, plant and equipment	0	0	0	0	0	0	0	0
Cash flow from investing activities	-351	-104	-49	21	-119	-295	-36	-863
FINANCING ACTIVITIES								
New share issue	10 000	3 781	4 001	6 240	79 693	-1 970	0	0
Borrowings	0	0	5 000	9 000	9 000	0	0	0
Repayment of debt	0	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	0
CASH FLOW FOR THE PERIOD	-282	-8 139	-382	6 404	73 998	-15 553	-10 260	-18 239
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	10 915	10 633	2 494	2 112	8 516	82 514	66 961	56 701
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10 633	2 494	2 112	8 516	82 514	66 961	56 701	38 462