

Year-End Report 2019

ChromoGenics increases its business volume and completes preferential share issue for SEK 100.6 million, guaranteed to 75 percent, for accelerated growth

Fourth quarter of 2019

- Net sales for the period amounted to SEK 8.1 (6.8) million and earnings to SEK -23.2 (-22.9) million, which corresponds to earnings per share of SEK -0.06 (-0.53). Deliveries of backlogged customer orders for dynamic products were delayed during the quarter, which has meant that net sales have been postponed.
- Gross profit amounted to SEK -6.5 million, which is a decrease of SEK -1.6 million compared to the corresponding period in 2018. Lower income had a negative impact on the development.
- Cash and cash equivalents amounted to SEK 24.8 (7.5) million on December 31.
- The installation of two sputtering machines in the company's premises in Uppsala to ensure in-house sputtering capacity and reduce ChromoGenics' production costs is progressing according to schedule.
- Order intake amounted to SEK 3.1 million during the fourth quarter. The total quote stock amounts to approximately SEK 350 million as at the reporting date. Order volume for Q1 2020 amounts to SEK 9.5 million.
- Three orders totaling SEK 1.4 million were received from Vasakronan in October.
- ChromoGenics is currently participating in the R&D program Switch2Save within Horizon 2020 that is being financed by the EU. ChromoGenics' share is EUR 1,035,000, of which half has been received.
- On November 15, the Board of Directors convened an extraordinary general meeting to be held on December 18 to enable and create preparedness for future long-term financing of ChromoGenics. The extraordinary general meeting held on December 18, 2019, resolved to adopt new by-laws in which the limits for the number of shares in the company and the company's share capital were amended. The meeting also resolved to authorize the Board of Directors to decide on one or several occasions during the period up to the next annual general meeting to increase the company's share capital through a new share issue.

SEK million	2019		2018	
	Okt-dec	Okt-dec	Jan-Dec	Jan-Dec
Net sales	8,1	6,8	45,2	11,2
EBITDA	-20,4	-19,5	-67,0	-65,1
Net income	-23,2	-22,9	-77,9	-73,4
Earning per share , SEK	-0,06	-0,53	-0,34	-1,83
Cash and cash equivalents at end of the period	24,9	7,5	24,9	7,5

Events after the end of the period

- The Board of Directors decided February 7th on a preferential share issue of SEK 100.6 million pursuant to authorization granted by the extraordinary general meeting on December 18, 2019.
- After year-end orders of totaling SEK 6.2 million were received from Vasakronan, Humlegården and for production of a new school in Enköping.

Preferential rights issue

The Board of Directors, pursuant to the authorization granted by the extraordinary general meeting on December 18, 2019, decided on February 7 to conduct a preferential share issue ("Preferential Issue") in accordance with the following:

- The preferential issue amounts to approximately SEK 100.6 million through the new issues of shares with preferential rights for the Company's existing shareholders.
- Each share held in the Company on the record date of February 14, 2020, will receive one (1) subscription right. One (1) subscription right entitles the owner to subscribe to one (1) new share.
- The issue price is SEK 0.25 per newly issued share. Subscription is made through simultaneous payment.
- The subscription period for the Preferential Issue is February 19–March 4, 2020.
- The Preferential Issue is guaranteed up to 75.0 percent of the issue amount, corresponding to approximately SEK 75.4 million, through subscription obligations and issue guarantees from existing shareholders and external investors.
- Net cash, assuming full subscription of the Preferential Issue, will amount to approximately SEK 86.5 million and will primarily be used to finance ChromoGenics imminent market establishment of ConverLight®, investment and loan-related payments.

Main timetable for the Preferential Issue

February 12, 2020	Last trading day in the share including the right to participate in the Preferential Issue
February 13, 2020	First trading day in the share excluding the right to participate in the Preferential Issue
February 14, 2020	Record date for participation in the Preferential Issue
February 14, 2020	Estimated date for publication of the prospectus
February 19 – March 2	Trading of subscription rights
February 19 – March 4	Subscription period
February 19 –	Trading with paid subscribed shares ("BTA") until the Swedish Companies Registration Office registers the Preferential Issue, which is estimated to occur Week 13, 2020
March 9, 2020	Estimated day for the publication of the outcome of the Preferential Issue

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Comments from the CEO

The market is starting to become increasingly aware of ChromoGenics' glass technology, which was developed in Uppsala over a period of almost two decades. We are noticing that several of our customers that are large property owners are placing repeat orders for our products. The key to ChromoGenics' success as a company is gaining customers' trust for our pioneering and unique offer in performance glass for buildings. The Company works constantly to meet customers' demands on function, quality, environmental gains, and property-related financial gains. This is what holds the entire operations together and is a determining factor in ChromoGenics' future development.

Our product categories are dynamic glass that alters its coloring depending on the solar radiation, static glass with built-in solar protection, and design panel glass with integrated solar panels. The products are marketed under the name ConverLight®. Through our business idea and total facade concept, we create conditions for more climate-friendly and attractive buildings with greater property value through improved indoor comfort and energy performance.

After our preferential issue in the third quarter, the main objective of which was to finance the acquisition of two sputtering machines as well as two smaller research machines for sputtering, we have placed a lot of focus on the assembly and installation process. During the fourth quarter, the assembly process progressed according to plan toward the goal of final, refined production of sputter-deposited electrochromic film during the first six months of 2020. Through this investment, ChromoGenics gains its own primary sputtering capacity with qualified machinery. This serves as the basis for ChromoGenics' dynamic products. Our entire production process and the dynamic products also become significantly more sustainable from an environmental perspective. The investment in sputtering machines will enable ChromoGenics to control the entire production process, which creates conditions for developing into the natural first choice for the central component in the dynamic glass of the future. Our current external supplier of sputtered film will function in the future as a secondary source. By doing this, we are creating a stable industrial structure with a focus on delivery of laminated performance glass.

ChromoGenics' unique business idea compared to our competitors is to produce and deliver dynamic sputtered film to various production units/glass producers for installation into and delivery of final glass products to end customers. We are now building up a partner network around this concept. Strict process and quality control and a significant capacity for own production make rapid international expansion possible. The main focus in the immediate future will be on Scandinavia, where we have an established sales organization, Although several initiatives have also targeted the rest of Europe.

In mid-September, we were forced to communicate to the market that we had quality problems with incoming material and this would delay income of around SEK 30 million in 2019 compared to the original target. This has also impacted our new sales and net sales of the dynamic products during the fourth quarter of the year. Therefore, a review of costs and strengthen of the quality organization is on-going.

The lesson we learned from 2019 was that we must internally control the entire production process and the internal demand for material in order to be able to guarantee complete in-house production. The impact of our delivery problems has been unfortunate for ChromoGenics and shows the vulnerability in our previous working method, which relied on a single foreign supplier of sputtered material. Our supplier's production has been upgraded, and we implemented better process controls. It is our assessment that our supplier (second source) of sputtered film has now resolved its production problems.

Through the current issue, we want to give ChromoGenics the financial resources to achieve our long-term goal of annual deliveries of at least 100,000 m² of ConverLight® dynamic electrochromic film. Given the current market demand, the Company's comprehensive facade concept, the technology's competitive economies of scale, and the secured long-term, in-house production capacity, I consider it to be reasonable that we will achieve this goal.

We are seeing an increased interest and greater acceptance of both our dynamic and static solutions, and we will have a strong focus on sales in 2020.

Jerker Lundgren, CEO

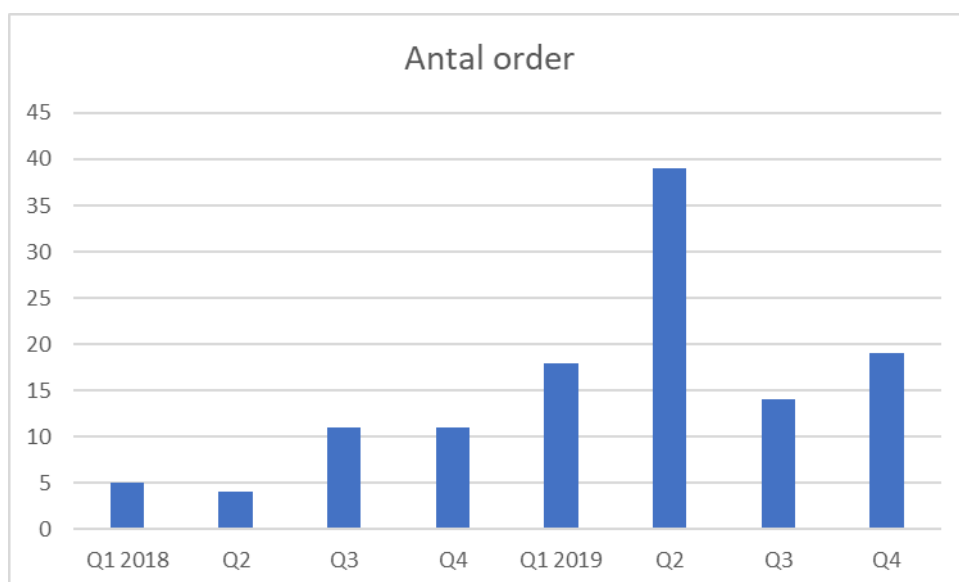
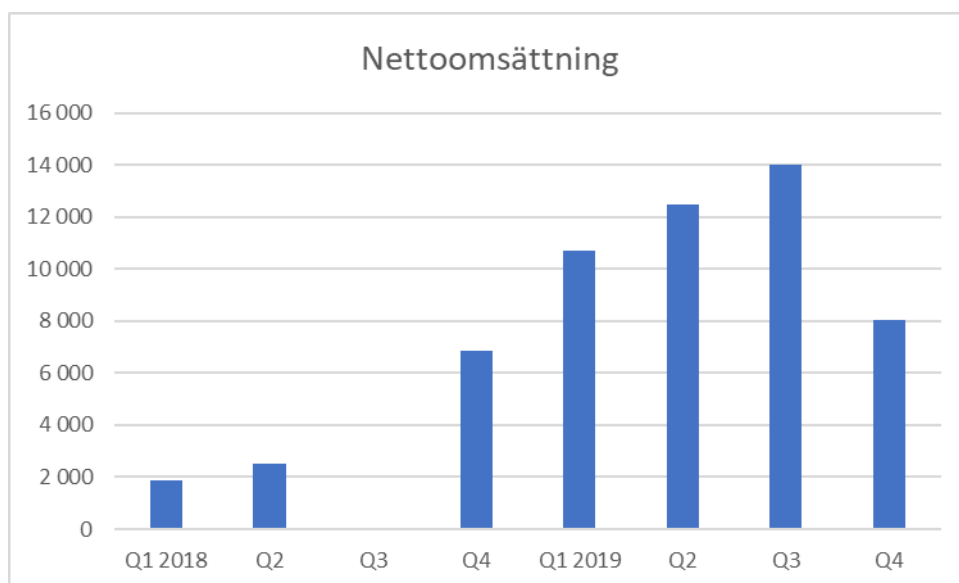
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This report discusses the development for the period October–December 2019 compared to the same period in 2018, unless otherwise stated.

Earnings

ChromoGenics' net sales in Q4 2019 amounted to SEK 8.1 (6.8) million, and the positive trend of higher net sales than in the corresponding quarter in 2018 continued. Overall, revenue was slightly lower than expected due to quality problems with incoming material, which have led to insufficient volumes of production material to produce and deliver to the customers. This is because we were forced in mid-September to lower the sales forecast for full-year 2019. Around thirty projects have been ongoing during the past quarter, where the dynamic products represent SEK 3.3 million or a share of around 40 percent of net sales, while the static products represent SEK 4.8 million or a share of 60 percent of net sales.

KSEK



Costs for goods and services sold amounted to SEK 14.6 million in the last quarter of the year, compared to SEK 11.8 million for the corresponding period in 2018. At the beginning of the quarter, we continued to be impacted by our previously announced quality problems with sputtered film from a supplier for the manufacture of ConverLight® dynamic glass since lead times were long. These

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problems lowered the utilized production capacity in the Uppsala facilities, and major efforts were made to resolve the problems with costs for hired staff.

The challenge for the Company has been to balance the manufacturing costs in the fourth quarter for the dynamic products against greater consumption of materials in production that have not met our quality expectations and thus affected our ability to deliver to our customers. The costs also include rented factory premises, write-offs on production equipment, and staff in the manufacturing process. The cost of goods and services sold for static products, which primarily consisted of material and contracted suppliers decreased slightly during the fourth quarter .

During the last quarter, SEK 0.4 million was reserved for redeliveries in previous projects. Further during the quarter we also completed and began several projects related to redeliveries. SEK 0.4 million was drawn from the reserve during the fourth quarter. As at December 31, 2019, the reserve amounts to SEK 8.3 million (10.5).

Gross profit/loss for the period amounted to SEK -6.5 million and fell by SEK -1.6 million compared to the same period the previous year. This also meant a decrease of SEK -1.6 million compared to Q3 2019.

Depreciation/amortization and impairment amounted to SEK 2.0 (2.0) million in the quarter, which is the same level as in Q3 2019.

Selling costs amounted to SEK 4.3 (4.3) million in Q4 2019, which was the same cost level as the corresponding quarter in 2018. Costs for marketing activities were SEK 0.2 million higher in Q4 2019 than in the previous year.

Administrative costs amounted to SEK 4.2 (4.2) million in Q4 2019 and were unchanged compared to the previous year. During the quarter, costs increased slightly for IT services and other purchased services, but personnel costs decreased.

Development costs increased in the fourth quarter and amounted to SEK 8.8 (8.3) million. The increase compared to the same quarter in 2018 is primarily due to more intensified production and process development and high activity to quality assure and control inputs such as sourced sputtered film for the dynamic products.

ChromoGenics' operating profit for Q4 2019 amounted to SEK -22.4 (-21.5) million. Order intake slowed somewhat during the quarter due to the problems with the quality of incoming input items. ChromoGenics is still in an industrial start-up phase, and its development is not linear. Sales gained speed in Q4 2018 and rose three quarters in a row in 2019, but the delivery capacity slowed at the end of September and a few weeks in to October, primarily due to quality defects in the production material.

Net financial income/expense amounted to SEK -0.8 (-1.4) million during the quarter. The decrease is due to lower interest rate costs in Q4 2019 than the corresponding quarter in 2018, since the Company had a short-term loan of three months. No income tax was paid during the period SEK (0.0) million.

Profit/loss for the period amounted to SEK -23.2 (-22.9) million.

Full-year 2019

ChromoGenics is now in a phase of focus on industrial and market establishment of the company's technology. Many years of research have been turned into dynamic glass and energy efficient solar protect solutions for buildings. The net sales of the full-year 2019 amounted to SEK 45.2 SEK, which was an increase of four times compared to full-year 2018. The dynamic products net sales amounted to SEK 28.6 million or a share of 63 percent the total net sales while the static products net sales amounted SEK 16.7 million or 37 percent share.

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The operating income for full-year 2019 amounted to SEK -74.9 million compared to SEK -72.1 million in full-year 2018.

In 2019 the net financial income/expense amounted to SEK -2.9 million compared to SEK -1.4 million for full-year 2018. The increased financial expenses refer to the second conditional loan from Swedish Energy Agency which has debited interest for twelve months in 2019 compared to three months in 2018.

Cash flow and financial position

Cash flow from operating activities including a change in working capital amounted to SEK -15.1 (-17.5) million in the fourth quarter of the year.

Net cash flow from investing activities amounted to SEK -8.6 (0.0) million in the fourth quarter. The investments are primarily related to the new sputtering machines within the production process.

Net cash flow from financing activities amounted to SEK 0.3 (12.6) million in Q4 2019.

Cash flow for the period amounted to SEK -23.4 million compared to -5.0 million for the corresponding period in 2018.

Cash and cash equivalents amounted to SEK 24.8 million on December 31, 2019, compared to SEK 7.5 million on December 31, 2018.

The balance sheet total amounted to SEK 132.1 (46.7) million, an increase of SEK 85.4 million in twelve months. Fixed assets increased by SEK 60.2 million compared to December 31, 2018, primarily due to the ongoing investment into new sputtering machines. Among current assets, accounts receivable and current receivables increased by SEK 7.9 million due to the increase in sales the past year.

Equity on December 31, 2019, amounted to SEK 42.6 million after all new share issues had been registered. Restricted equity amounted to SEK 81.3 million, and unrestricted equity amounted to SEK -38.7 million. For the same period in 2018, equity amounted to SEK -39.9 million.

Among the company's liabilities is a conditional loan of SEK 48.7 million and a second conditional loan of SEK 0.8 million from the Swedish Energy Agency, which, according to the loan agreement and the regulations set out in the Companies Act (Chapter 25, section 14), do not need to be included upon preparation of a balance sheet for liquidation purposes. Adjusted equity amounted to SEK 92.2 million as at December 31 compared to SEK 9.4 million at the beginning of the year.

Investments

Investments in Q4 2019 amounted to SEK -8.6 (0.0, net) million and refer to the ongoing acquisition of two new sputtering machines for production capacity in Uppsala and two smaller machines that will be used for tests and development work. The company's next stage of development is to reduce its production costs and at the same time realize an increase its production efficiency. Sputtering is the main process in the production of the patented electrochromic film that serves as a basis for all of ChromoGenics' dynamic products.

Employees

The average number of employees (FTEs) in Q4 2019 amounted to 37 (34). There were on average 56 employees (FTE), including temporary staffing and consultants, in Q4 2019, compared to 55 in Q3 2019. There were 37 employees on December 31, 2019, compared to 28 on December 31, 2018. Project-adapted production staff were hired from staffing firms for flexibility and for the installation of the new sputtering machines.

Share capital

In January-February 2019, a preferential rights issue was completed that raised SEK 77.7 million for the Company before issue expenses and SEK 63.2 million after issue expenses. The share issued increased the number of shares in ChromoGenics AB by 129,566,985.

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During the period June–September 2019, one preferential issue, one directed issue and two set-off issues were completed that generated SEK 96.9 million in share capital for ChromoGenics after issue costs to finance the purchase of the new sputtering machines. The issues increased the number of shares in the company by 229,624,467.

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

On December 31, 2019, the registered share capital amounted to 80,476,094, represented by 402,380,447 shares, each with a quotient value of SEK 0.20. Recognized equity amounted to SEK 42.6 million compared to SEK -39.9 million as at December 31, 2018, and SEK 65.5 million as at September 30, 2019.

Shareholders

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

The largest shareholders as at December 31, 2019 are presented below:

Shareholders per 2019-12-31	Ordinary shares	Votes and capital
Hörmann-Verwertungen GmbH&Co. KG	27 850 966	6,92%
Försäkringsaktiebolaget, Avanza Pension	23 358 581	5,81%
Dan Sandberg	18 224 329	4,53%
Danske Bank International S.A.	11 622 238	2,89%
Nordnet Pensionsförsäkring AB	10 092 748	2,51%
RGG-ADM Gruppen	7 300 000	1,81%
Castab AB	5 672 880	1,41%
K-Svets Venture AB	5 112 350	1,27%
BNY Mellon SA/NV (FORMER BNY), W8IMY	4 531 468	1,13%
Erik Hammarlund	4 259 695	1,06%
ÖVRIGA	284 355 192	70,67%
TOTAL	402 380 447	100,0%

Source: Euroclear AB

According to Euroclear, there were 6,025 shareholders at the end of the period.

Significant risks and uncertainty factors

The Company is exposed to a number of financial risks: liquidity risk, credit risk and currency risk. The Board of Directors and the Company's management team strive to manage these risks by on a regular basis identifying, evaluating and where appropriate offsetting and counteracting them. For more information, see [2018 Annual Report](#)

Liquidity risk

Cash and cash equivalents amounted to SEK 24.8 million on December 31, 2019. The preferential share issue completed in February 2019 brought in net SEK 63.2 million. Immediately thereafter, the short-term bridge loan of SEK 12.6 million from November 2018 was settled. The second preferential share issue of the year was completed in August 2019 with the goal of investing in new sputtering machines, which brought in gross SEK 86.4 million. In August 2019, two directed new issues of

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shares were completed, one a set-off issue to guarantors of SEK 5.5 million and one a cash issue of SEK 10 million to two external investors. These completed new issues strengthened the company's capital.

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

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

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

Currency risk

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

Employees

ChromoGenics currently has an organization of approximately 55 employees, including temporary staff and consultants, and is dependent on a number of key staff members. A weak financial position and weak profitability during the Company's growth phase can limit the possibility of recruiting and keeping key staff members.

Auditor's review

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

Calendar

April 23, 2020	Annual Report 2019
May 14, 2020	Interim Report January–March 2020
May 14, 2020	Annual General Meeting 2020
August 27, 2020	Interim Report January–June 2020
November 20, 2020	Interim Report January–September 2020
February 19, 2020	Year-End Report 2020

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, February 7, 2020 ChromoGenics AB (publ) CIN 556630-1809

Anders Brännström
Board Member

Johan Hedin
Chair of Board

Peter Gustafson
Board Member

Claes-Göran Granqvist
Board Member

Mari Broman
Board Member

Peter Edelsvärd
Board Member

Jerker Lundgren
CEO

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About ChromoGenics

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

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

www.chromogenics.com/en/

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Income Statement per Individual Quarter

Statement of Cash Flows per Individual Quarter

Income Statement

KSEK	2019		2018	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	8 062	6 836	45 248	11 240
Costs of goods and services sold	-14 589	-11 750	-60 684	-33 424
Gross operating income	-6 527	-4 914	-15 436	-22 184
Selling expenses	-4 336	-4 288	-16 595	-16 476
Administrative expenses	-4 181	-4 152	-12 746	-14 613
R&D expenses	-8 843	-8 321	-31 983	-19 190
Other operating income and expenses	1 485	187	1 863	413
Total operating expenses	-15 875	-16 574	-59 461	-49 866
Operating income	-22 402	-21 488	-74 897	-72 050
Interest income	22	0	46	18
Interest expenses	-854	-1 410	-3 001	-1 410
Operating income after financial items	-23 234	-22 898	-77 852	-73 442
Tax	0	0	0	0
Net income	-23 234	-22 898	-77 852	-73 442
Average number of shares before dilution ¹⁾	402 380 447	43 188 995	230 149 813	40 223 550
Average number of shares after dilution ¹⁾	402 380 447	43 188 995	230 149 813	40 223 550
Outstanding shares at the end of the reporting period before dilution ¹⁾	402 380 447	43 188 995	402 380 447	43 188 995
Outstanding shares at the end of the reporting period after dilution at full utilization. ¹⁾	423 363 079	64 179 284	423 363 079	64 179 284
Outstanding warrants at the end of the reporting period ¹⁾	20 982 632	20 990 289	20 982 632	20 990 289
Earnings per share before dilution, SEK ¹⁾	-0,06	-0,53	-0,34	-1,83
Earnings per share after dilution, SEK ¹⁾	-0,06	-0,53	-0,34	-1,83

¹⁾ During the first quarter of 2019, a rights issue was issued which added 129,566,985 new shares. During June-August, a rights issue was issued which added 172,755,980 new shares. During August, a directed share issue was issued which added 18,867,924 new shares. During September, two set-off issues was issued which added 10,372,884 and 27,627,679 new shares.

Balance Sheet

KSEK	2019 31-Dec	2019 30-Sep	2019 30-Jun	2019 31-Mar	2018 31-Dec
ASSETS					
Non-current Assets					
Intangible assets	7 703	8 710	9 676	10 647	11 683
Property, plant and equipment	74 341	66 765	63 920	8 529	9 476
Financial assets	0	0	150	150	0
Total non-current assets	82 044	75 475	73 746	19 326	21 159
Current Assets					
Inventories and work in progress	6 749	7 498	9 409	7 017	7 420
Trade receivables	7 314	8 517	9 190	6 261	3 429
Other current receivables	11 097	16 102	87 104	10 772	7 133
Cash and cash equivalents	24 850	48 223	14 850	43 024	7 521
Total current assets	50 010	80 340	120 553	67 074	25 503
TOTAL ASSETS	132 054	155 815	194 299	86 400	46 662
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	80 476	80 476	63 919	34 551	8 638
Fund, development expenses	738	795	795	795	795
<i>Non-restricted equity</i>					
Share premium reserve	432 158	431 820	424 927	380 875	343 635
Accumulated profit/loss	-392 914	-392 971	-392 970	-392 971	-319 528
Operating income for the period	-77 852	-54 618	-34 596	-16 337	-73 442
Total equity	42 606	65 502	62 075	6 913	-39 902
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ¹⁾	47 760	49 327	49 327	48 641	49 327
Total non-current liabilities	47 760	49 327	49 327	48 641	49 327
Current liabilities					
Current interest-bearing liabilities ¹⁾	1 843	343	343	1 029	343
Trade payables	21 591	25 736	64 967	12 395	5 933
Other current liabilities	18 254	14 907	17 587	17 422	30 961
Total current liabilities	41 688	40 986	82 897	30 846	37 237
TOTAL EQUITY AND LIABILITIES	132 054	155 815	194 299	86 400	46 662

¹⁾ Refers to soft loans from the Swedish Energy Agency.

Statement of Cash Flows

KSEK	2019		2018	
	Oct-Dec	Oct-Dec	Jan-Dec	Oct-Dec
OPERATING ACTIVITIES				
Profit/loss before tax	-22 402	-21 488	-74 897	-72 050
Financial income and expenses	-832	-1 410	-2 956	-1 392
<i>Adjustments for non-cash items:</i>				
Depreciation/amortization and impairment	1 987	1 980	7 925	6 537
Cash flow from operating activities before changes in working capital	-21 247	-20 918	-69 928	-66 905
<i>Cash flow from changes in working capital</i>				
Increase(-)/decrease(+) inventories	749	2 725	671	-1 296
Increase(-)/decrease(+) trade receivables	1 203	154	-3 885	-1 447
Increase(-)/decrease(+) current receivables	5 005	-3 339	-4 150	-1 176
Increase(+)/decrease(-) trade payables	-4 145	59	15 643	-1 496
Increase(+)/decrease(-) current liabilities ¹⁾	3 347	3 780	94	9 540
Cash flow from changes in working capital	6 159	3 379	8 373	4 125
Cash flow from operating activities	-15 088	-17 539	-61 555	-62 780
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment and intangible assets	-8 556	-24	-68 959	-6 407
Sale of property, plant and equipment	0	0	150	411
Cash flow from investing activities	-8 556	-24	-68 809	-5 996
FINANCING ACTIVITIES				
New share issue	338	0	160 360	25 235
Borrowings	0	12 600	0	12 600
Repayment of debt	-67	0	-12 667	0
Cash flow from financing activities	271	12 600	147 693	37 835
CASH FLOW FOR THE PERIOD	-23 373	-4 963	17 329	-30 941
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	48 223	12 484	7 521	38 462
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	24 850	7 521	24 850	7 521

Statement of changes in equity

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2018	4 643	298	321 582	-319 031	7 492
New share issues	3 995		30 024		34 019
New share issue fees			-7 971		-7 971
Fund for development expenses		497		-497	0
Operating income for the period				-73 442	-73 442
Equity 31 Dec 2018	8 638	795	343 636	-392 971	-39 902

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2019	8 638	795	343 636	-392 971	-39 902
New share issues	71 838		122 937		194 775
New share issue fees			-34 415		-34 415
Fund for development expenses		-57		57	0
Operating income for the period				-77 852	-77 852
Equity 31 Dec 2019	80 476	738	432 158	-470 766	42 606

Among the company's liabilities is a soft loan from the Swedish Energy Agency which, according to the loan agreement and the regulations set out in the Swedish Companies Act (25:14), may be eliminated upon preparation of a balance sheet for liquidation purposes. The utilized soft loan from the Swedish Energy Agency amounted to SEK 49.6 million. Equity taking into account the soft loan, i.e. adjusted equity, amounted to SEK 92.2 million as per December 31, 2019 and SEK 9.4 million as per December 31, 2018.

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 2018-01-01	Redeemed	Matured	Close. Bal. no of warrants 2019-12-31
2015-07-23 ¹⁾	2020-06-30	7 963	0,00	2,67	7 963	0	0	7 963
2018-09-03 ²⁾	2021-12-31	2 000 000	0,00	0,99	2 000 000	0	0	2 000 000
Total					2 007 963	0	0	2 007 963

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

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

²⁾ In connection with the acquisition of the net assets of I-window International AB, 2,000,000 warrants were issued to I-window International AB. As a result of the rights issue as above the warrants have been recalculated so that each warrant entitles to subscription of 2,02 share to a redemption price of 0,99 SEK and matures on December 31, 2021.

Allocation date	Maturity date	Total number of warrants	Purchase price SEK	Redemption price SEK	Open. balance no of warrants 2018-01-01	Redeemed	Matured	Close. Bal. no of warrants 2019-12-31
2018-01-26 ¹⁾	2020-01-31	18 974 669	0,00	1,74	18 974 669	0	0	18 974 669
Total					18 974 669	0	0	18 974 669

¹⁾ 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. As a result of the rights issue the warrants have been recalculated so that each warrant entitles to subscription of 2,02 share to a redemption price of 1,74 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
2018	Rights issue	18 974 669	42 188 995	0,2	8 437 799	29 410 737		2018-02-21
2018	Directed share issue	1 000 000	43 188 995	0,2	8 637 799	613 059		2018-09-12
2019	Rights issue	129 566 985	172 755 980	0,2	34 551 196	37 238 891		2019-03-15
2019	Rights issue	172 755 980	345 511 960	0,2	69 102 392	51 826 793		2019-08-12
2019	Directed share issue	18 867 924	364 379 884	0,2	72 875 977	6 226 415		2019-08-30
2019	Set-Off issue	10 372 884	374 752 768	0,2	74 950 554	3 111 865		2019-09-02
2019	Set-Off issue	27 627 679	402 380 447	0,2	80 476 089	9 945 964		2019-09-20
Total			402 380 447	0,2	80 476 089	451 984 798		

Share development during the year

In February 2019, a rights issue was performed on a 1-1 basis to a share price of 0.60 SEK/share. The rights issue brought 129,566,985 new shares to the company. The rights issue was registered on March 15, 2019. After registration, total amount of outstanding shares amounted to 172,755,980 equivalent to a share capital of 34,551,196 SEK with a nominal value of 0.2 SEK.

In June-August 2019, a rights issue was performed on a 1-1 basis to a share price of 0.50 SEK/share. The rights issue brought 172,755,980 new shares to the company. The rights issue was registered on August 12, 2019. After registration, total amount of outstanding shares amounted to 345,511,960 equivalent to a share capital of 69,102,392 SEK with a nominal value of 0.2 SEK.

In August 2019, a directed share issue was conducted at a share price of 0.53 SEK/share. The rights issue brought 18,867,924 new shares to the company. The targeted issue was registered on August 30, 2019. After registration, total amount of outstanding shares amounted to 364,379,884 equivalent to a share capital of 72,875,977 SEK with a nominal value of 0.2 SEK.

In September 2019, a set-off issue to a couple of guarantee in the rights issue in August, was conducted at a share price of 0.50 SEK/share. The offset issue brought 10,372,884 new shares to the company. The offset share issue was registered on September 2, 2019. After registration, total amount of outstanding shares amounted to 374,752,768 equivalent to a share capital of 74,950,554 SEK with a nominal value of 0.2 SEK.

In September 2019, a set-off issue to Hörmann-Vertungen GmbH & Co was conducted at a share price of 0.56 SEK/share. The offset issue brought 27 627,679 new shares to the company. The set-off issue was registered on September 20, 2019. After registration, total amount of outstanding shares amounted to 402,380,447 equivalent to a share capital of 80,476,089 SEK with a nominal value of 0.2 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 January-December 2019.

Transactions between the company and the company's primary owners

Nothing to report for the period January-December 2019.

Note 5, Pledged assets and contingent liabilities

KSEK		2018	2019	2019	2019	2019
Event	Holder	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec
Floating charge		0	0	0	0	0
Restricted cash	Euroclear	50	50	50	50	50
Total		50	50	50	50	50

Income Statement per isolated quarter

KSEK	2018	2018	2018	2018	2019	2019	2019	2019
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4
Net sales	1 872	2 532	0	6 836	10 712	12 481	13 993	8 062
Costs of goods and services sold	-9 143	-8 214	-4 317	-11 750	-13 292	-13 866	-18 937	-14 589
Gross operating income	-7 271	-5 682	-4 317	-4 914	-2 580	-1 385	-4 944	-6 527
Selling expenses	-4 262	-4 769	-3 157	-4 288	-4 996	-4 036	-3 227	-4 336
Administrative expenses	-6 061	-2 257	-2 143	-4 152	-2 573	-3 364	-2 628	-4 181
R&D expenses	-3 376	-4 457	-3 036	-8 321	-5 579	-9 696	-7 865	-8 843
Other operating income and expenses	-324	443	107	187	183	902	-707	1 485
Total operating expenses	-14 023	-11 040	-8 229	-16 574	-12 965	-16 194	-14 427	-15 875
Operating income	-21 294	-16 722	-12 546	-21 488	-15 545	-17 579	-19 371	-22 402
Interest income	18	0	0	0	0	5	19	22
Interest expenses	0	0	0	-1 410	-792	-685	-670	-854
Operating income after financial items	-21 276	-16 722	-12 546	-22 898	-16 337	-18 259	-20 022	-23 234
Tax	0	0	0	0	0	0	0	0
Net income	-21 276	-16 722	-12 546	-22 898	-16 337	-18 259	-20 022	-23 234

Average number of shares before dilution ¹⁾	33 116 106	42 188 995	42 400 106	43 188 995	65 223 126	172 755 980	280 239 699	402 380 447
Average number of shares after dilution ¹⁾	33 116 106	42 188 995	42 400 106	43 188 995	65 223 126	172 755 980	280 239 699	402 380 447
Outstanding shares at the end of the reporting period before dilution ¹⁾	42 188 995	42 188 995	43 188 995	43 188 995	65 223 126	172 755 980	402 380 447	402 380 447
Outstanding shares at the end of the reporting period after dilution at full utilization. ¹⁾	75 084 976	61 179 284	64 179 284	64 179 284	65 223 126	193 746 269	423 370 736	423 363 079
Outstanding warrants at the end of the reporting period ¹⁾	32 895 981	18 990 289	20 990 289	20 990 289	20 990 289	20 990 289	20 990 289	20 982 632
Earnings per share before dilution, SEK ¹⁾	-0,64	-0,40	-0,30	-0,53	-0,25	-0,11	-0,07	-0,06
Earnings per share after dilution, SEK ¹⁾	-0,64	-0,40	-0,30	-0,53	-0,25	-0,11	-0,07	-0,06

¹⁾ During the first quarter of 2019, a rights issue was issued which added 129,566,985 new shares. During June-August, a rights issue was issued which added 172,755,980 new shares. During August, a directed share issue was issued which added 18,867,924 new shares. During September, two set-off issues was issued which added 10,372,884 and 27,627,679 new shares.

Statement of Cash Flows isolated quarters

KSEK	2018	2018	2018	2018	2019	2019	2019	2019
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4
OPERATING ACTIVITIES								
Profit/loss before tax	-21 294	-16 722	-12 546	-21 488	-15 545	-17 579	-19 371	-22 402
Financial income and expenses	18	0	0	-1 410	-792	-681	-651	-832
<i>Adjustments for non-cash items:</i>								
Depreciation/amortization and impairment	1 539	1 228	1 790	1 980	1 978	1 976	1 984	1 987
Cash flow from operating activities before changes in working capital	-19 737	-15 494	-10 756	-20 918	-14 359	-16 284	-18 038	-21 247
<i>Cash flow from changes in working capital</i>								
Increase(-)/decrease(+) inventories	891	-4 598	-314	2 725	403	-2 392	1 911	749
Increase(-)/decrease(+) trade receivables	-1 836	1 394	-1 159	154	-2 832	-2 929	673	1 203
Increase(-)/decrease(+) current receivables	3 332	-1 241	72	-3 339	-3 639	-3 097	-2 419	5 005
Increase(+)/decrease(-) trade payables	789	-1 664	-680	59	6 462	52 557	-39 231	-4 145
Increase(+)/decrease(-) current liabilities	3 751	3 713	-1 704	3 780	-939	366	-2 680	3 347
Cash flow from changes in working capital	6 927	-2 396	-3 785	3 379	-545	44 505	-41 746	6 159
Cash flow from operating activities	-12 810	-17 890	-14 541	-17 539	-14 904	28 221	-59 784	-15 088
INVESTING ACTIVITIES								
Acquisition of property, plant and equipment and intangible assets	-2 268	-1 717	-2 398	-24	-145	-56 395	-3 863	-8 556
Sale of property, plant and equipment	0	411	0	0	0	0	150	0
Cash flow from investing activities	-2 268	-1 306	-2 398	-24	-145	-56 395	-3 713	-8 556
FINANCING ACTIVITIES								
New share issue	24 885	350	0	0	63 152	0	96 870	338
Borrowings	0	0	0	12 600	0	0	0	0
Repayment of debt	0	0	0	0	-12 600	0	0	-67
Cash flow from financing activities	24 885	350	0	12 600	50 552	0	96 870	271
CASH FLOW FOR THE PERIOD	9 807	-18 846	-16 939	-4 963	35 503	-28 174	33 373	-23 373
CASH AND CASH EQUIVALENTS AT START OF THE PERIC	38 462	48 269	29 423	12 484	7 521	43 024	14 850	48 223
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	48 269	29 423	12 484	7 521	43 024	14 850	48 223	24 850