

Interim Report January 1 – September 30, 2019

ChromoGenics acquires own sputtering capacity and strengthens the company's strategy to have stable and quality-assured production of sputtered film for dynamic glass

Third quarter of 2019

- Net sales for the period amounted to SEK 14.0 (0.0) million and earnings to SEK -20.0 (-12.5) million, which corresponds to earnings per share of SEK -0.07 (-0.30). 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 -4.9 million, which is a decrease of SEK -0.6 million compared to the corresponding period in 2018 and SEK -3.5 million compared to Q2 2019. Increased costs for materials and inputs had a negative impact.
- Cash and cash equivalents amounted to SEK 48.2 (29.2) million on September 30.
- The preferential share issue in July to finance acquisitions of sputtering machines was oversubscribed at 180 percent. The new share issue brought in a capital contribution of SEK 86.4 million.
- The extraordinary general meeting on August 7, 2019, resolved to conduct a directed share issue of SEK 10.0 million to two investors at a subscription price of SEK 0.53. The extraordinary general meeting furthermore 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.
- On August 19, 2019, the Board of Directors, pursuant to authorization granted by the extraordinary general meeting, decided to conduct a new directed share issue at a subscription price of SEK 0.50 through the set-off of claims totaling approximately SEK 5.5 million for guarantee compensation to guarantors in conjunction with the preferential share issue.
- On September 30, the first of two sputtering machines was lifted into place in the new premises in Uppsala with the purpose to secure own sputtering capacity that will reduce ChromoGenics' production costs.
- Order intake amounted to SEK 3.1 million during the third quarter. The total quote stock amounts to approximately SEK 350 million on the reporting date. Order volume going into Q4 2019 amounts to SEK 16.9 million, which indicates the continued positive and growing customer interest in ChromoGenics' products.
- ChromoGenics is participating in the R&D program Switch2Save within Horizon 2020 that is being financed by the EU. ChromoGenics' share is EUR 1,035,000.

SEK million	2019	2018	2019	2018	2018
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	14,0	0,0	37,2	4,4	11,2
EBITDA	-17,4	-10,8	-46,6	-45,6	-66,5
Net income	-20,0	-12,5	-54,8	-50,5	-73,4
Earning per share , SEK	-0,07	-0,30	-0,32	-1,34	-1,83
Cash and cash equivalents at end of the period	48,2	12,5	48,2	12,5	7,5

Events after the end of the period

- Three orders totaling SEK 1.4 million from Vasakronan were received in October.
- 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.

Installation in own production resources progresses according to plan

Comments from the CEO

ChromoGenics' success is based on customers' belief in our pioneering work and unique offer within performance glass for buildings. 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®. We create through our business idea and total facade concept, conditions for more climate-friendly and attractive buildings through improved indoor climate, improved energy performance, and an increase in property value.

During the third quarter, we successfully conducted a preferential share issue, bringing in net SEK 66.7 million. It was oversubscribed at 180 percent. The main objective of the new issue was to finance the acquisition of two sputtering machines and two smaller research machines for sputtering. This strengthened the company's capital significantly. Particularly important is that this investment provides ChromoGenics with its own primary sputtering capacity with qualified machines. The idea is for the current external supplier of sputtered film to function as a second source. We are thereby creating a stable industrial structure with a focus on delivery of laminated performance glass. On September 30, the first sputtering machine, weighing in at around 130 tons, was brought in through the roof and placed in its spot at Söderforsgatan in Uppsala.

The assembly process runs according to plan with a view of final production of sputter electrochromic film during the first quarter of 2020.

This is the basis of ChromoGenics' dynamic products. The entire production process and the dynamic products become significantly more sustainable from an environmental perspective. The acquisition of own sputtering machines will enable ChromoGenics to control the entire production process, which creates conditions to develop into the natural first choice of the central component in the dynamic glass of the future.

The unique aspect of ChromoGenics is its business idea to produce and deliver dynamic film to various production units/glass producers for installation into and delivery of final glass products to end customers. Rigorous process and quality control and an own production capacity enables quick international expansion.

The past spring and summer demonstrated the risk of not having control over the entire production process and further confirmed the need to ensure this key function. It was determined that the delivery problems were due to the current supplier's insufficient process control combined with the alteration of a machine. Their production has now been upgraded and improved process controls have been implemented. Our assessment is that our supplier of sputtered film now has resolved their production problems.

In mid-September, we were therefore forced to communicate to the market that the quality problems with incoming material and delay income of around SEK 30 million in 2019 compared to the original target. This also affected our new sales of dynamic products within our ConverLight® product range.

ChromoGenics is participating in the Switch2Save project that has a total grant amount of EUR 5,468,000 from the EU research and innovation program Horizon 2020. ChromoGenics will receive EUR 1,035,000. The aim of the project is to combine the most advanced electrochromic and thermochromic materials to manufacture lightweight, hybrid-enabled switchable optical systems.

We are pursuing our vision of being able to achieve in the next few years annual deliveries of ConverLight® of at least 100,000 sqm of sputtered film. We are working methodically to achieve this goal and taking the actions necessary to improve the products and gradually upscale the production and sales capacity.

We also started a long-term sustainability project within the company to further strengthen our environmental profile. We are seeing greater acceptance for our dynamic solution, and we now have a strong focus on sales in 2020.

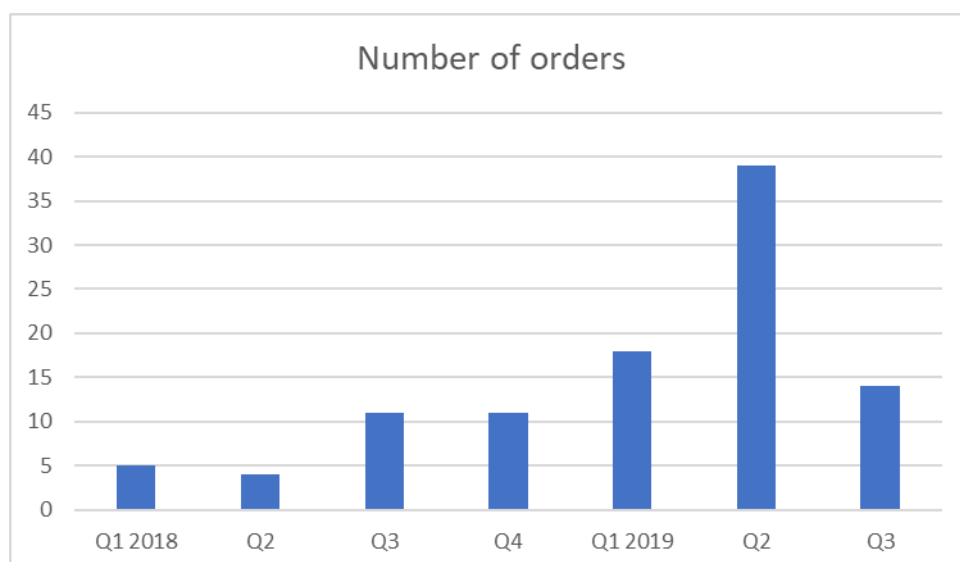
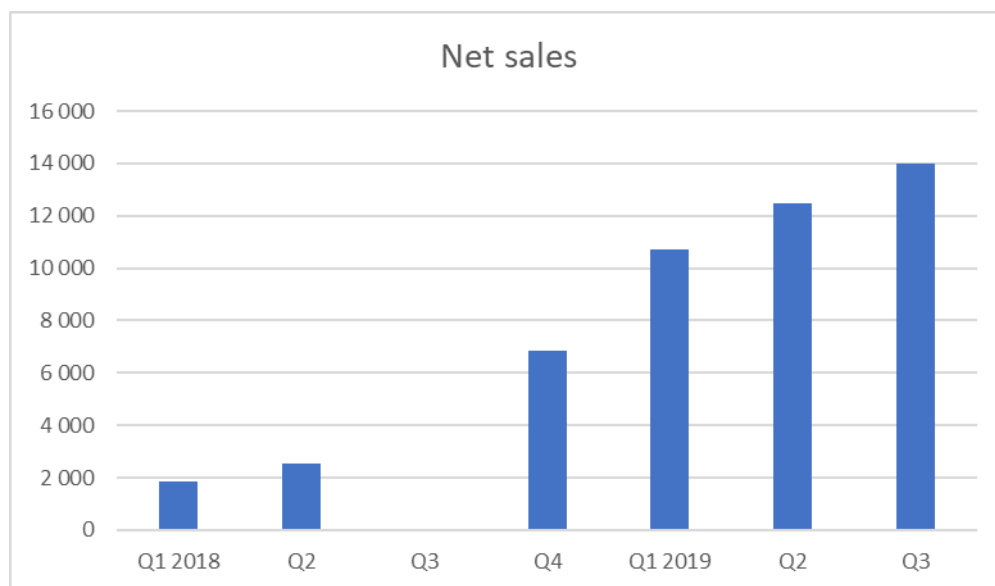
Jerker Lundgren, CEO

This report comments on the development for the period July–September 2019 compared to the same period in 2018 unless otherwise stated.

Earnings

ChromoGenics' net sales in the third quarter amounted to SEK 14.0 (0.0) million, and the most positive trend, rising net sales, is continuing for the company. Around forty projects have been ongoing during the past quarter, where the dynamic products represent SEK 6.1 million or a share of around 44 percent of net sales, while the static products represent SEK 7.9 million or a share of 56 percent of net sales.

KSEK



Costs for goods and services sold amounted to SEK 18.9 million in the third quarter of the year, compared to SEK 4.3 million for the corresponding period in 2018. The operations were reduced to the bare minimum during the months of primarily July and August in 2018 to save money. This means that the comparison between the two quarters is not entirely relevant. One major impact was that ChromoGenics began to have major quality problems in the early summer of 2019 with its sputtered film from a supplier. This film was intended to be used to manufacture the dynamic glass ConverLight®. These problems lowered the production capacity in the Uppsala facilities, and major efforts were made to resolve the problems with costs for hired staff.

ChromoGenics

The challenge has been to balance the manufacturing costs in the third 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. Costs for goods and services sold for the static products in the third quarter, which consisted primarily of material and hired subcontractors, amounted to approximately SEK 7.0 million, while the corresponding quarter in 2018 was only SEK 0.2 million.

During the quarter, no costs were reserved for redeliveries in previous projects, and during the quarter we completed and began several projects related to redeliveries. SEK 0.9 million was drawn from the reserve during the third quarter. As at September 30, 2019, the reserve amounts to SEK 8.3 million (8.0).

Gross profit/loss for the period amounted to SEK -4.9 million and fell by SEK -0.6 million compared to the same period the previous year. This also marked a decrease of SEK -3.5 million compared to Q2 2019.

Depreciation/amortization and impairment amounted to SEK 2.0 (1.8) million in the quarter, which is the same level as in Q2 2019.

Selling expenses amounted to SEK 3.2 (3.2) million in Q3 2019. Marketing activities were low during the summer months, and the third quarter is usually the quarter during the year with the lowest costs.

Administrative expenses amounted to SEK 2.6 (2.1) million in Q3 2019. This increase compared to the previous year consisted primarily of higher costs for IT services and other purchased services.

Development expenditure increased in the third quarter and amounted to SEK 7.9 (3.0) 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/loss for Q3 2019 amounted to SEK -19.4 (-12.5) million. Order intake slowed slightly during the quarter, which is season-dependent due to the holiday period. ChromoGenics is still in an industrial start-up phase, and its development is not linear. Sales picked up in Q4 2018 and have now been rising for the fourth quarter in a row but despite this are judged not to cover the company's total costs for full-year 2019.

Net financial income/expense amounted to SEK -0.7 (0.0) million during the quarter. No income tax was paid during the period or in the corresponding period in 2018.

Profit/loss for the period amounted to SEK -20.0 (-12.5) million.

Cash flow and financial position

Cash flow from operating activities including a change in working capital amounted to SEK -59.8 (-14.5) million for the third quarter of the year.

Net cash flow from investing activities amounted to SEK -3.7 (-2.4) million for the third quarter. The investments are primarily related to the new sputtering machines within the production process.

Net cash flow from financing activities amounted to SEK 96.9 (0.0) million for the third quarter of 2019 and refers to inflows from the completed new share issues.

Cash flow for the period amounted to SEK 33.4 million compared to -16.9 million for the corresponding period in 2018.

Cash and cash equivalents amounted to SEK 48.2 million on September 30, 2019, compared to SEK 7.5 million on December 31, 2018, and SEK 12.5 million on September 30, 2018.

ChromoGenics

The balance sheet total amounted to SEK 155.8 (46.7) million, an increase of SEK 109.1 million in twelve months. Fixed assets increased by SEK 54.3 million compared to September 30, 2018, primarily due to the ongoing investment into new sputtering machines. Among current assets, accounts receivable and current receivables increased by SEK 14.1 million due to the increase in sales the past year.

Equity on September 30, 2019, amounted to SEK 65.3 million after all new share issues had been registered. Restricted equity amounted to SEK 81.3 million, and unrestricted equity amounted to SEK -15.9 million. At the same point in time in 2018, equity amounted to SEK -17.0 million, and on December 31, 2018, to SEK -39.9 million.

Among the company's liabilities is a conditional loan of SEK 49.7 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 115.2 million as at September 30 compared to SEK 9.4 million at the beginning of the year.

Investments

Investments in Q3 2019 amounted to SEK -3.7 (-2.4, 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 Q3 2019 amounted to 35 (25). There were on average 55 employees (FTE), including temporary staffing and consultants, in Q3 2019 compared to 50 in Q2 2019. There were 36 employees on September 30, 2019, compared to 28 employees on December 31, 2018, and 27 employees on September 30, 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.

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.

As a result of the completed preferential issues in February 2019 and July 2019, the conditions for the previously issued warrants (TO2) have been restated. After restatement, each warrant in the TO2 series is entitled to subscription of 2.02 shares at a subscription prices of SEK 1.74 per share. A maximum of 38,365,925 new shares can be issued with the support of warrants, which corresponds to a dilution of 11.1 percent. If fully subscribed, the company will receive SEK 66.7 million.

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. Each warrant is entitled to subscription of one share at a subscription price of SEK 2.00/share until December 31, 2021.

On September 30, 2019, the registered share capital amounted to 80,476,094, represented by

ChromoGenics

402,380,447 shares, each with a quotient value of SEK 0.20. Recognized equity amounted to SEK 65.5 million compared to SEK -39.9 million as at December 31, 2018, and SEK 62.1 million as at June 30, 2019.

Shareholders

Since March 23, 2017, ChromoGenics' shares and warrants have been traded on Nasdaq First North Stockholm with G&W Fondkommission as Certified Adviser. ChromoGenics' Board of Directors decided on November 19 to change its Certified Adviser to Erik Penser Bank AB. G&W Fondkommission AB will continue as the company's Certified Adviser until Erik Penser Bank AB takes over at the beginning of December 2019.

The largest shareholders as at September 30, 2019 are presented below:

Shareholders per 2019-09-30	Ordinary shares	Votes and capital
Hörmann-Verwertungen GmbH&Co. KG	27 627 679	6,87%
Försäkringsaktiebolaget, Avanza Pension	24 935 686	6,20%
Dan Sandberg	18 287 885	4,54%
Nordnet Pensionsförsäkring AB	13 059 847	3,25%
Danske Bank International S.A.	11 622 238	2,89%
Castab AB	5 672 880	1,41%
K-Svets Venture AB	5 112 350	1,27%
Erik Hammarlund	5 000 000	1,24%
BNY Mellon SA/NV (FORMER BNY), W8IMY	4 626 131	1,15%
Staffan Falk	4 000 000	0,99%
John Fällström	4 000 000	0,99%
ÖVRIGA	278 435 751	69,20%
TOTAL	402 380 447	100,0%

Source: Euroclear AB

According to Euroclear, there were 5,783 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 48.2 million on September 30, 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 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

ChromoGenics

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.

ChromoGenics is still in an initial phase of commercialization, and income is not expected to cover the company's expenses/costs in 2019.

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.

ChromoGenics

Calendar

February 21, 2020
May 14, 2020
May 14, 2020
August 27, 2020
November 20, 2020

Year-End Report 2019
Interim Report January–March 2020
Annual General Meeting 2020
Interim Report January–June 2020
Interim Report January–September 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, November 22, 2019 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

For more information, please contact:

Jerker Lundgren, CEO: +46 703 012 000

Lars Ericsson, CFO & Head of Communications: +46 70 549 76 44

info@chromogenics.com

Certified Adviser: G&W Fondkommission

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 Stockholm, and G&W Fondkommission is the Certified Adviser.

www.chromogenics.com/sv/

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 Share-Option Plan

Note 3 Shares

Note 4 Transactions with Related Parties

Note 5 Pledged Assets and Contingent Liabilities

Income Statement per Individual Quarter

Statement of Cash Flows per Individual Quarter

Income Statement

KSEK	2019	2018	2019	2018	2018
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	13 993	0	37 186	4 404	11 240
Costs of goods and services sold	-18 937	-4 317	-46 095	-21 674	-33 424
Gross operating income	-4 944	-4 317	-8 909	-17 270	-22 184
Selling expenses	-3 227	-3 157	-12 259	-12 188	-16 476
Administrative expenses	-2 628	-2 143	-8 565	-10 461	-14 613
R&D expenses	-7 865	-3 036	-23 140	-10 869	-19 190
Other operating income and expenses	-707	107	378	226	413
Total operating expenses	-14 427	-8 229	-43 586	-33 292	-49 866
Operating income	-19 371	-12 546	-52 495	-50 562	-72 050
Financial income	19	0	24	18	18
Financial expenses	-670	0	-2 147	0	-1 410
Operating income after financial items	-20 022	-12 546	-54 618	-50 544	-73 442
Tax	0	0	0	0	0
Net income	-20 022	-12 546	-54 618	-50 544	-73 442
Average number of shares before dilution ¹⁾	280 239 699	42 400 106	172 739 601	37 652 550	40 223 550
Average number of shares after dilution ¹⁾	280 239 699	42 400 106	172 739 601	37 652 550	40 223 550
Outstanding shares at the end of the reporting period before dilution ¹⁾	280 239 699	43 188 995	172 739 601	42 188 995	43 188 995
Outstanding shares at the end of the reporting period after dilution at full utilization. ¹⁾	301 229 988	64 179 284	193 729 890	61 179 284	64 179 284
Outstanding warrants at the end of the reporting period ¹⁾	20 990 289	20 990 289	20 990 289	18 990 289	20 990 289
Earnings per share before dilution, SEK ¹⁾	-0,07	-0,30	-0,32	-1,34	-1,83
Earnings per share after dilution, SEK ¹⁾	-0,07	-0,30	-0,32	-1,34	-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	2018 30-Sep	2018 31-Dec	2019 31-Mar	2019 30-Jun	2019 30-Sep
ASSETS					
Non-current Assets					
Intangible assets	12 664	11 683	10 647	9 676	8 710
Property, plant and equipment	10 451	9 476	8 529	63 920	66 765
Financial assets			150	150	0
Total non-current assets	23 115	21 159	19 326	73 746	75 475
Current Assets					
Inventories and work in progress	10 145	7 420	7 017	9 409	7 498
Trade receivables	3 583	3 429	6 261	9 190	8 517
Other current receivables	3 794	7 133	10 772	87 104	16 102
Cash and cash equivalents	12 484	7 521	43 024	14 850	48 223
Total current assets	30 006	25 503	67 074	120 553	80 340
TOTAL ASSETS	53 121	46 662	86 400	194 299	155 815
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	8 638	8 638	34 551	63 919	80 476
Fund, development expenses	499	795	795	795	795
<i>Non-restricted equity</i>					
Share premium reserve	343 635	343 635	380 874	424 927	431 820
Accumulated profit/loss	-319 232	-319 528	-392 970	-392 970	-392 971
Operating income for the period	-50 544	-73 442	-16 337	-34 596	-54 618
Total equity ²⁾	-17 004	-39 902	6 913	62 075	65 502
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ¹⁾	49 327	49 327	48 641	49 327	49 327
Total non-current liabilities	49 327	49 327	48 641	49 327	49 327
Current liabilities					
Current interest-bearing liabilities ¹⁾	343	343	1 029	343	343
Trade payables	5 874	5 933	12 395	64 967	25 736
Other current liabilities	14 581	30 961	17 422	17 587	14 907
Total current liabilities	20 798	37 237	30 846	82 897	40 986
TOTAL EQUITY AND LIABILITIES	53 121	46 662	86 400	194 299	155 815

Statement of Cash Flows

KSEK	2019	2018	2019	2018	2018
	Jul-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Dec
OPERATING ACTIVITIES					
Profit/loss before tax	-19 371	-12 546	-52 495	-50 562	-72 050
Financial income and expenses	-651	0	-2 123	18	-1 392
<i>Adjustments for non-cash items:</i>					
Depreciation/amortization and impairment	1 984	1 790	5 938	4 557	6 537
Cash flow from operating activities before changes in working capital	-18 038	-10 756	-48 680	-45 987	-66 905
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	1 911	-314	-78	-4 021	-1 296
Increase(-)/decrease(+) trade receivables	673	-1 159	-5 088	-1 601	-1 448
Increase(-)/decrease(+) current receivables	-2 419	72	-8 969	2 163	-1 177
Increase(+)/decrease(-) trade payables	-39 231	-680	19 803	-1 555	-1 494
Increase(+)/decrease(-) current liabilities ¹⁾	-2 680	-1 704	-3 454	5 760	9 540
Cash flow from changes in working capital	-41 746	-3 785	2 214	746	4 125
Cash flow from operating activities	-59 784	-14 541	-46 466	-45 241	-62 780
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment and intangible assets	-3 863	-2 398	-60 404	-6 383	-6 407
Sale of property, plant and equipment	150	0	150	411	411
Cash flow from investing activities	-3 713	-2 398	-60 254	-5 972	-5 996
FINANCING ACTIVITIES					
New share issue	96 870	0	160 022	25 235	25 235
Borrowings	0	0	0	0	12 600
Repayment of debt	0	0	-12 600	0	0
Cash flow from financing activities	96 870	0	147 422	25 235	37 835
CASH FLOW FOR THE PERIOD	33 373	-16 939	40 702	-25 978	-30 941
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	14 850	29 423	7 521	38 462	38 462
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	48 223	12 484	48 223	12 484	7 521

Statement of changes in equity

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
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
New share issues	71 838		122 937		194 775
New share issue fees			-34 753		-34 753
Operating income for the period				-54 618	-54 618
Equity 30 Sep 2019	80 476	795	431 820	-447 589	65 502

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 49.7 million. Equity taking into account the soft loan, i.e. adjusted equity, amounted to SEK 115.2 million as per September 30, 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 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 2018-01-01	Redeemed	Matured	Close. Bal. no of warrants 2018-12-31
2015-02-16 ¹⁾	2019-12-31	7 657	0,00	5,22	7 657	0	0	7 657
2015-07-23 ¹⁾	2020-06-30	7 963	0,00	5,22	7 963	0	0	7 963
2018-09-03 ²⁾	2021-12-31	2 000 000	0,00	2,00	2 000 000	0	0	2 000 000
Total					2 015 620	0	0	2 015 620

¹⁾ 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.

¹⁾ As a result of the rights issue in January 2018, the warrants have been recalculated so that each warrant entitles to subscription of 1,03 share to a redemption price of 5,22 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. The warrants can be exercised to SEK 2 per share 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 2018-12-31
2018-01-26 ¹⁾	2020-01-31	18 974 669	0,00	3,50	18 974 669	0	0	18 974 669
Total 2019-03-31					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. 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
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 135,000 for the period January-September 2019.

Transactions between the company and the company's primary owners

Nothing to report for the period January-September 2019.

Note 5, Pledged assets and contingent liabilities

KSEK		2018	2018	2019	2019	2019
Event	Holder	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep
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				2019		
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3
Net sales	1 872	2 532	0	6 836	10 712	12 481	13 993
Costs of goods and services sold	-9 143	-8 214	-4 317	-11 750	-13 292	-17 044	-18 937
Gross operating income	-7 271	-5 682	-4 317	-4 914	-2 580	-2 580	-4 944
Selling expenses	-4 262	-4 769	-3 157	-4 288	-4 996	-4 036	-3 227
Administrative expenses	-6 061	-2 257	-2 143	-4 152	-2 573	-3 364	-2 628
R&D expenses	-3 376	-4 457	-3 036	-8 321	-5 579	-6 518	-7 865
Other operating income and expenses	-324	443	107	187	183	902	-707
Total operating expenses	-14 023	-11 040	-8 229	-16 574	-12 965	-13 016	-14 427
Operating income	-21 294	-16 722	-12 546	-21 488	-15 545	-17 579	-19 371
Financial income	18	0	0	0	0	5	19
Financial expenses	0	0	0	-1 410	-792	-685	-670
Operating income after financial items	-21 276	-16 722	-12 546	-1 410	-16 337	-18 259	-20 022
Tax	0	0	0	0	0	0	0
Net income	-21 276	-16 722	-12 546	-22 898	-16 337	-18 259	-20 022
Average number of shares before dilution ¹⁾	33 116 106	42 188 995	43 188 995	43 188 995	65 223 126	172 755 980	280 239 699
Average number of shares after dilution ¹⁾	33 116 106	42 188 995	43 188 995	43 188 995	65 223 126	172 755 980	280 239 699
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	280 239 699
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	301 229 988
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
Earnings per share before dilution, SEK ¹⁾	-0,64	-0,40	-0,29	-0,53	-0,25	-0,11	-0,07
Earnings per share after dilution, SEK ¹⁾	-0,64	-0,40	-0,29	-0,53	-0,25	-0,11	-0,07

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