

Year-End Report 2021

JANUARY 1–DECEMBER 31, 2021



ChromoGenics increases its net sales and completes share issue for SEK 68.2 million, guaranteed to 80 percent, for accelerated growth

Q4 2021

- During the fourth quarter, ChromoGenics continued to deliver the dynamic glass for the order from the Norwegian construction company Betonmast for the Gullhaugs Torg project in Oslo. By the end of the year, ChromoGenics had delivered 3,300 m² and will deliver in total around 4,000 m² of dynamic and static glass to an environmentally certified building that is under construction.
- The production of ConverLight® Dynamic, ChromoGenics' dynamic glass, has been gradually ramped up with more deliveries to our customers since ChromoGenics began in-house production at the beginning of May, slowly at first to reduce the risk for production disruptions.
- After ChromoGenics completed the long-term tests of the in-house dynamic glass ConverLight® Dynamic in mid-June, the top priority has been the post-inspection. Our focus is now on increasing the rate of production step by step in a quality-assured manner.
- On November 3, ChromoGenics announced that its deliveries were delayed due to material shortages and capacity limitations in the supply chain. The final deliveries to the end customer Betonmast for the Gullhaugs Torg project in Oslo were estimated to be delayed by eight weeks. Invoicing and incoming cash flow is judged to be affected to the same extent.
- ChromoGenics also experienced disruptions in its own production process, and production was stopped for three weeks. The problem was identified, a solution was validated, and production began again at the end of November. The production stoppage did not cause additional delays in the Gullhaugs Torg project since at that point in time the supply chain was the bottleneck. Final deliveries to Vasakronan for the Hästen project, however, were delayed by an additional three weeks.
- The operating loss for Q4 2021 amounted to SEK -14.7 (-8.1) million, which was negatively impacted by around SEK 3.4 million due to extra costs associated with the production stoppage in November and additional logistics costs due to disruptions in the supply chains.
- The action plan introduced in March 2020 to reduce the company's operating costs continued to have a major impact in Q4 2021 with a lower cost level. Operating costs increased by around SEK 18 million compared to the corresponding period in 2020, however, due to the production increase, delivered goods and logistics. In total during the first nine months of the year, the costs savings amounted to approximately SEK 22 million.
- During the fourth quarter of the year, order intake amounted to SEK 3.2 (6.0) million. On October 5, ChromoGenics announced it had received new orders for ConverLight® Static of around SEK 1.1 million from Humlegården and others with delivery in the fourth quarter. The orders were related to an upgrade in that the glass in existing windows in two office buildings in Solna would be replaced with ConverLight® Static.
- On November 8, ChromoGenics received a new order of SEK 1.2 million for ConverLight® Dynamic glass for an office building in Bergen, Norway.
- On November 10, ChromoGenics signed an agreement for a new order together with window manufacturer LEIAB for delivery of ConverLight® Dynamic glass to a nursing home in Skara.
- Order volume for Q1 2022 amounts to SEK 14.7 (8.8) million.
- Our sales team was strengthened with an additional employee, and marketing activities were expanded. The team is now working to increase its contact with customers and raise the value of our new business opportunities and the order book with additional new business for delivery in 2022.

- Some customers have glass that was delivered before ChromoGenics started its in-house production and would like the glass to be replaced within the coming year. We have begun planning to rectify a number of faulty delivery projects.
- Net sales for Q4 2021 amounted to SEK 13.7 (2.0) million, and profit after tax for the period amounted to SEK -15.8 (-8.9) million, which corresponds to earnings per share of SEK -2.23 (-1.26), basic, including warrants (TO3) from the unit issue in December 2020.
- Cash and cash equivalents amounted to SEK 18.9 (93.4) million on December 31, 2021.

EARNINGS PERFORMANCE IN SUMMARY

<i>SEK million</i>	2021	2020	2021	2020
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	13,7	2,0	24,7	14,6
EBITDA	-14,0	-7,6	-57,4	-51,8
Net income	-15,8	-8,9	-63,5	-62,5
EPS before dilution, SEK	-2,23	-1,26	-8,98	-11,26
EPS after dilution, SEK	-1,31	-0,66	-5,27	-5,24
Cash and bank end of the period	18,9	93,4	18,9	93,4

EVENTS AFTER THE END OF THE PERIOD

- On January 19, 2022, ChromoGenics announced a restructuring and strengthening of its management team to accelerate the transformation to a profitable industrial company. The company has filled two prioritized roles, and both roles will be part of the management team.
- Linus Wetterlind has been named the head of sales and will start at ChromoGenics on February 1. Linus comes most recently from a position as sales manager at the world-leading glass producer Guardian Industries.
- Victor Hägglund has been named the head of supply chain and delivery and will start at ChromoGenics on February 1. His role will be to strengthen the company's business processes and secure and optimize delivery inflows and outflows.
- On February 4, ChromoGenics announced that it will start the recruitment process for a permanent CFO.
- The Board of Directors decided on February 8 to conduct a preferential rights issue of around SEK 68.2 million pursuant to authorization granted by the Annual General Meeting held on May 20, 2021.

Preferential rights issue

The Board of Directors, pursuant to the authorization granted by the Annual General Meeting held on May 20, 2021, decided on February 8 to conduct a preferential rights issue ("Preferential Issue") in accordance with the following:

- The preferential issue amounts to around SEK 68.2 million through a new issue of units with preferential rights for the Company's existing shareholders.
- Each share held in the Company on the record date of February 15, 2022, will receive one (1) unit right. Three (3) unit rights are entitled to subscription of one (1) unit consisting of four (4) new shares and four warrants from the series 2022/2023:1.
- The subscription price amounts to SEK 12.00 per unit, corresponding to SEK 3.00 per share. Subscription is made through simultaneous payment.
- The subscription period for the Preferential Issue is February 17–March 3, 2022.
- The Preferential Issue is guaranteed up to 79 percent of the issue amount through subscription obligations and issue guarantees from existing shareholders and external investors. The board of directors intend to secure the Preferential Issue to 80 percent of issue amount through further subscription and guarantee obligations from the management team and board of directors.
- The net proceeds, upon full subscription of the Preferential Issue, will amount to approximately SEK 58 million and are intended to finance ChromoGenics':

	MSEK
Development of delivery concept to partners	3,0
Upgrades and efficiencies in production processes in order to increase the production rate	8,0
Operation costs and working capital to finance market expansion	38,0
ISO and EHS certifications	1,5
Complaints	7,5
Summa	58,0

MAIN TIMETABLE FOR THE PREFERENTIAL ISSUE

February 11, 2022	Last trading day in the share including the right to participate in the Preferential Issue
February 14, 2022	First trading day in the share excluding the right to participate in the Preferential Issue
February 15, 2022	Record date for participation in the Preferential Issue
February 16, 2022	Estimated date of publication of the prospectus
February 17–28, 2022	Trade in unit rights
February 19–March 3, 2022	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 12, 2022
March 8, 2022	Estimated day for the publication of the outcome of the Preferential Issue

Comments from the CEO

ChromoGenics is a proptech company that contributes to more sunlight and well-being indoors and decreases the impact of the real estate industry on the climate.

During the quarter, we continued to take important steps to transition from a development company to an industrial company. We have delivered our products to customers, and net sales in the quarter amounted to SEK 13.7 million, which is one of the highest levels since the company was floated in 2017.

This was achieved despite facing major challenges in material shortages, capacity limitations at our suppliers, and disruptions to our own in-house production. I would like to thank all employees, suppliers and partners for your hard work.

In the third quarter, we restarted our production with partially new logistics chains. During two quarters of in-house production, we worked to develop and refine processes and procedures, which led to costs for scrapping and material purchases. Disruptions in the logistics chain also led to significantly higher transport costs.

However, it is clear that the quality work and the changes we made in the third quarter are starting to generate results. We are establishing processes, and structured work with continuous improvement and quality are progressing and generating results. This change became particularly clear in November when we found in our test program a deviation from production. We then stopped production, identified the problem, and validated a solution, and we were able to restart production within three weeks. I am very satisfied with the structured quality work that made this possible.

Our strategy work and business plan, which show the way to a profitable, international industrial company, are now in their final stage. To accelerate this journey, we are now making changes to the management group.

Linus Wetterlind is strengthening the sales team as the head of sales. Linus is a driven and committed sales manager with highly relevant industry competence. He comes most recently from the position of sales manager at the world-leading glass producer Guardian Industries.

Victor Hägglund will be the head of supply chain and delivery. He has several years of experience in

upscaling and quality assurance in supply chains at growing manufacturing companies. The sputter operations are strategically important for the company, and the responsible manager Fredrik Rostvall will now join the management group.

During the quarter, we strengthened the sales team with another experienced business developer. We continued to expand our marketing, primarily through participation in industry-specific customer events and trade shows.

It is stimulating for the entire company to hear the fantastic response to our offer from customers, and in particular from tenants in premises where our glass contributes to a better work environment. We see that the value of new business opportunities increasing for every month that passes.

During the quarter, we signed an agreement valued at SEK 1.2 million with the Norwegian company Nordvestvinduet for delivery of dynamic glass to an office building in Bergen, Norway. We also signed an agreement with LEIAB and Osby Glas to deliver dynamic glass windows to a nursing home in Skara to improve the well-being of the residents. We are very pleased to cooperate with these quality companies on the Nordic glass market.

We see continued strong growth for the global glass market driven by population growth and urbanization, but it is clear for most people that the real estate industry must be sustainable. The industry today represents one-third of global energy consumption. Without active measures to improve the real estate sector's energy efficiency, its global energy consumption is expected to increase 50 percent by 2050. Our solutions contribute to both increased well-being and a smaller environmental footprint.

Fredrik Fränding, CEO



Q4 2021

NET SALES

In Q4 2021, ChromoGenics' net sales amounted to SEK 13.7 (2.0) million, an increase of SEK 11.7 million compared to the corresponding period in 2020. It was the highest net sales for the company in two years since the company noted SEK 14.0 million in net sales in Q3 2019.

Production of the dynamic products increased gradually during the fall but was stopped at the beginning of November due to a production interruption identified by the company's quality program. The cause was identified, and our technicians validated a solution. Three weeks later, production was restarted with a minor change in the product specification that was needed to speed up the production start. The change involves a marginal adjustment to the light input at the darkest setting of the glass and does not affect the quality while still meeting the functional requirements of the ongoing delivery project. Since then, production has returned to the original product specification. The production stoppage resulted in extra costs for input goods and logistics of around SEK 2 million.

The production stoppage also resulted in a delay for all ongoing deliveries, in part for a building in Uppsala that received at the end of June the first glass with sputtered film produced in-house. Deliveries should have continued during the fourth quarter for SEK 0.5 million. Full delivery for this project is now planned for Q1 2022.

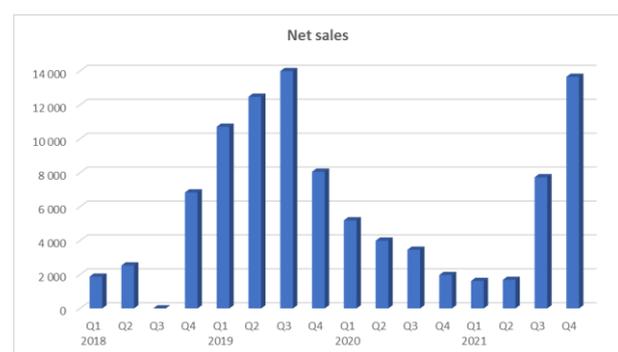
The partial deliveries for the large order for the new building Gullhaugs Torg 5 in Oslo, Norway, continued during the quarter, and invoicing amounted to SEK 12.5 million in the fourth quarter. The order is very complex and contains both dynamic and static glass to reduce the weight of the completed glass in the facade. The planning and implementation work dominates

the company's operations and activities. The deliveries will continue in Q1 2022.

The production of the electrochromic film that is used as an input good in production is continuing in-house and under quality controls. The sputtering machines have produced sufficient volumes for the glass lamination and glass deliveries to reach our targets. In conjunction with the production stoppage, the entire production process underwent control and optimization, with adjustments to and material tests from the machines that resulted in extra costs of around SEK 1.4 million. The goal is to once again stabilize production at 200 m² of glass per week in our own factory and, based on this platform, continue to expand the volumes under strict controls in 2022.

There were approximately ten (10) other ongoing projects in the past quarter, most of which were deliveries of static products and represented around SEK 1.1 (1.0) million of net sales.

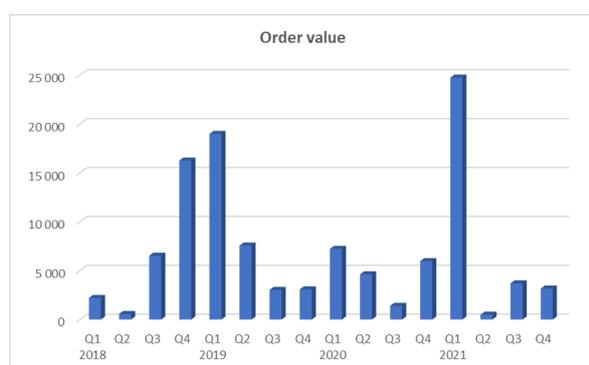
KSEK



The order backlog increased by six new orders in the quarter for around SEK 3.2 million, of which three refer to dynamic products and three to static glass.



KSEK



Sales activities are intensifying now toward new and existing customers as we increase the production capacity. We are seeing increased interest in our dynamic products from Scandinavia and central Europe.

Work performed for the company's own use and capitalized amounted to SEK 0.8 (2.8) million and refers to the capitalization of R&D expenditure for new products, such as wireless control of the dynamic products. In Q4 2020, installation work on and adjustments to the new sputtering machines by in-house staff amounted to SEK 0.7 million.

Other operating income amounted to SEK 0.8 (-1.8) million in Q4 2021 and refers primarily to exchange rate fluctuations to the euro.

COST DEVELOPMENT

During the last quarter of the year, the operations continued to be redirected to focus on in-house production and deliveries of dynamic glass to customers, which affects the cost structure and the throughput in inventories with work in progress. Inventories with products in progress decreased by around

SEK 2.3 million during the quarter through deliveries of the large order to Norway.

As production and deliveries increase, the costs for raw materials and consumables increase. This quarter they amounted to SEK 11.9 million compared to SEK 1.5 million in the corresponding period in 2020. Costs during this quarter are related to production with an increase in material consumption and costs for adjustments to and expansion of the production capacity. Extra costs of around SEK 3.4 million are related to the production stoppage in November and additional logistics costs from disruptions to the supply chains. In previous years, costs consisted primarily of material purchases for the static products and subcontractors hired for the installation of the static products at customers.

The provision for redeliveries was unchanged during the quarter and amounted at the end of the period to SEK 21.5 (8.4) million.

Other external costs amounted to SEK 9.9 (4.0) million. The increase in costs of SEK 5.9 million during the quarter compared to the corresponding quarter in 2020 is primarily attributable to temporary personnel for the increased production of glass and overhead for deliveries to Gullhaugs Torg in Oslo. In the corresponding quarter in 2020, there were no temporary personnel active in production. Marketing and sales activities increased during the quarter through participation in trade shows.

Personnel costs in Q4 2021 amounted to SEK 6.5 million compared to SEK 5.3 million the previous year. There were on average 26 (23) employees in the quarter, which is an increase of three employees in sputter production and sales compared to the corresponding period in 2020. The average number of employees (FTEs) in Q4 2021 including temporary personnel and consultants was 41 (27). The higher personnel costs in Q4 2021 are attributable primarily to new employees in sales and sputter production.

Depreciation/amortization on fixed assets amounted to SEK 0.8 (0.5) million. In September, the first sputter machine entered production with established processes, and the depreciation period of twenty years started, with this quarter including three months of depreciation. The company applies a production-dependent depreciation method to the sputtering machines. The depreciation is charged at the rate of the produced units.

Other operating costs of SEK -0.7 (0.0) million refer to the negative exchange rate effect on the quarter's operating costs due to the depreciation of the Swedish krona.

ChromoGenics' operating profit/loss for the fourth quarter of the year amounted to SEK -14.7 (-8.1) million, which is a decline of SEK 6.6 million compared to the corresponding quarter in 2020. The additional cost of around SEK 3.4 million for the production stoppage and restart November was high.

Net financial items for October–December 2021 amounted to SEK -1.1 (-0.8) million and are primarily related to interest expenses for the conditional loans from the from the Swedish Energy Agency.

The tax expense for the period amounted to SEK 0 (0) million.

Profit/loss for Q4 2021 thus amounted to SEK -15.8 (-8.9) million, a decline of SEK -6.9 million compared to the corresponding period in 2020.

CASH FLOW FOR THE FOURTH QUARTER

Cash flow from operating activities before changes in working capital amounted to SEK -15.0 (-6.8) million, a decline of around SEK 8.2 million related to the larger operating loss in the fourth quarter.

Cash flow from operating activities including a change in working capital amounted to SEK -7.9 (-0.5) million in the fourth quarter of the year. The positive change in operating capital of SEK 7.1 million is related to payments of

accounts receivables and a decrease in inventories, including products in progress for SEK 2.3 million in conjunction with deliveries of glass to the order in Norway.

Net cash flow from investing activities amounted to SEK -1.4 (-3.9) million in Q4 2021. The investments in intangible assets amounted to SEK -0.7 (-1.2) million and are related to ongoing process development for a new production line for sputtered film and product development of wireless control. The acquisition of property, plant and equipment amounted to SEK -0.7 (-2.7) million and refers to the completed installation of Sputter I and the coming development step in Sputter 1 to expand the capacity to the next level in the independent production process.

Net cash flow from financing activities amounted to SEK -0.1 (76.5) million in Q4 2021. In December of last year, a preferential rights issue was conducted that generated a capital contribution net after issue expenses of SEK 78.3 million.

Cash flow for the period amounted to SEK -9.4 million compared to SEK 72.1 million for the corresponding period in 2020.

JANUARY–DECEMBER 2021

NET SALES

Net sales for 2021 amounted to SEK 24.7 (14.6) million, an increase of SEK 10.1 million compared to full-year 2020 after a large post in the year's fourth quarter.

The production of dynamic glass began on a small scale in May and continued to grow in volume in terms of number of glass and m². Deliveries of both dynamic and static glass for the large order to Gullhaugs Torg in Oslo, Norway, continued during the period September–December for a total of approximately SEK 19.7 million and will

continue in Q1 2022.

The operations were redirected to full-scale production and delivery of glass after the mid-year mark and the vacation period. In order to meet the rate of production of dynamic glass, temporary personnel were hired from the end of May to December. Sputter I, which is dedicated to the company's own sputtered film, was run at slightly reduced capacity so the quality control would be high.

Production of the dynamic products increased gradually during the fall but was stopped at the beginning of November due to a production disruption identified by the company's quality program. The cause was identified, and a solution was validated. Three weeks later, production was restarted with a minor change in the product specification that was needed to speed up the production start. The change involves a marginal adjustment to the light input at the darkest setting of the glass and does not affect the quality while still meeting the functional requirements of the ongoing delivery project. Since then, production has returned to the original product specification. The production stoppage resulted in extra costs for input goods and logistics of around SEK 2 million.

The production stoppage also resulted in a delay for all ongoing deliveries, in part for a building in Uppsala that received at the end of June the first glass with sputtered film produced in-house. The last partial deliveries for around SEK 0.5 million were delayed, and full delivery is planned for Q1 2022.

Work performed for the company's own use and capitalized amounted to SEK 4.5 (4.9) million, of which SEK 1.7 (2.8) million refers to the installation work on and adjustments to the new sputtering machines by in-house staff and the capitalization of R&D expenditure for new products of SEK 2.6 (2.1) million, including

wireless control of the dynamic products. ChromoGenics is currently participating in the Switch2Save R&D program within Horizon 2020 that is partly financed by the EU.

Other operating income amounted to SEK 1.3 (0.7) million in 2021 and refers primarily to exchange rate fluctuations to the euro.

COST DEVELOPMENT

During the first six months of the year, the operations continued in the same direction as during the entire second half of 2020. The focus was primarily on the installation of and adjustments to the new sputtering machines that will create the conditions for controlling the entire process to produce sputtered film in-house. The working hours of many employees were spent testing the functionality and sustainability of the dynamic glass.

After the mid-year mark and the vacation period, the operations were redirected to in-house production and deliveries of glass to customers, which had an impact on the composition of different costs and the implementation of production with material consumption that passes through inventories and work in progress like a normal industrial company. Inventories with products in progress are becoming a larger part of the operations and increased in the past six months by around SEK 3.4 million. In the fourth quarter, inventories decreased by SEK 2.3 million as deliveries were made for the large order in Norway.

Due to the increase in production, deliveries to our customers in September–December, and the impact of November's production stoppage, costs for raw materials and consumables amounted to SEK 21.4 million compared to SEK 17.0 million in 2020.

The comparability to the previous year is not fully linear since the costs in the period were related to material purchases and subcontractors contracted for the installation of the static products at customers. Even the lower net sales for the first half of 2021 from

fewer deliveries contributed to lower material consumption for the first eight months of 2021.

The savings program that was initiated in the spring of 2020 for the operating activities has had a major impact in the first nine months of the year by reducing operating costs by around SEK +22.0 million compared to the same period in 2020. This was achieved through measures such as a reduction in the number of in-house staff, fewer external consultants, fewer in-house installation projects, and a review of the useful life of production assets. The focus from Q4 2021 is on delivery of dynamic glass with a complement of static glass and solar panel facades in the product portfolio.

Some customers that previously lodged complaints regarding faulty deliveries of glass have requested to have their glass replaced within the coming year once production has started, and ChromoGenics has reached an agreement with a number of customers to replace their glass. ChromoGenics made the assessment that there was a need to make a provision of SEK 17.2 million in the semi-annual accounts. The provision for redeliveries was unchanged during the past quarter and amounted at the end of the period to SEK 21.5 (8.4) million.

Other external costs for the year thus amounted to SEK 44.5 (27.3) million. Cost-savings made during the first nine months of 2021 compared to the corresponding period in 2020 are primarily attributable to the lower use of consumables in production, reduced purchases of IT services, a reduced need for consultant services, and significantly less travel.

Personnel costs for 2021 amounted to SEK 21.9 million compared to SEK 25.0 million the previous year. There were on average for the year 23 (29) employees, which is a decrease of six employees compared to 2020. There were 29 (24) employees as at December 31, 2021. The lower costs in 2021 are primarily due to fewer employees, which decreased wage-

related costs by around 12 percent. Depreciation/amortization on fixed assets amounted to SEK 2.3 (5.0) million. This decrease is due to the full depreciation over the past year of some intangible fixed assets and property, plant and equipment, which are thus not included in the depreciation basis for full-year 2021. The useful life and the depreciation period have been extended to ten years for several useful machines since depreciation for the period was reduced by around SEK 0.5 million for the year. The plan was that one sputtering machines would be brought into operation earlier in the year with a higher effect but in reality the result was lower depreciation for the period by around SEK 1.8 million.

ChromoGenics' operating loss for 2021 amounted to SEK -59.7 (-56.8) million, which was SEK 2.9 million higher than in 2020. After deducting the provision for redeliveries in June and the production stoppage in November, the operating loss amounted to SEK -39.9 million, or a reduction of the deficit by almost 31 percent compared to the operating loss in 2020.

Net financial items for 2021 amounted to SEK -3.9 (-5.7) million and are primarily related to interest expenses for conditional loans from the Swedish Energy Agency.

The tax expense for the year amounted to SEK 0 (0) million.

Profit/loss after tax thus amounted to SEK -63.5 (-62.5) million, a decline of SEK 1.0 million compared to in 2020. Adjusted for the provision for redeliveries of SEK 17.2 million and the production stoppage in November, profit/loss for the year amounted to SEK -42.9 million or around SEK 19.6 million better than in 2020.

CASH FLOW 2021

The cash flow from operating activities before the change in working capital in 2021 amounted to SEK -61.2 million compared to SEK -55.9 million in 2020.

Cash flow from operating activities including the change in working capital amounted to

SEK -58.8 (-49.7) million for the year and is primarily related to the operating loss for the year. One explanation for the difference between the years is that payments were received from customers at the end of 2020, while in 2021 customers have been invoiced on a larger scale at the end of the year.

Net cash flow from investing activities amounted to SEK -16.0 (-20.6) million for full-year 2021. The investments in intangible assets amounted to SEK -5.0 (-1.2) million and are related to ongoing process development for a new production line for sputtered film and product development of wireless control. The acquisition of property, plant and equipment amounted to SEK -11.0 (-19.5) million and refers to the completed installation of Sputter 1 and the coming development step in Sputter 1 to raise the capacity one notch in its specific production process.

Net cash flow from financing activities amounted to SEK 0.2 (138.9) million in 2021. The first utilization period of two for the warrants in series 2020/2022 generated around SEK 0.5 million after issue expenses. Two preferential rights issues were conducted in 2020, of which the first in March raised net SEK 62.5 million and the second, which was completed in December 2020, raised SEK 78.3 million net after issue expenses. At the beginning of October 2020, the company amortized SEK -1.9 million on the conditional loan from the Swedish Energy Agency.

Cash flow for the year amounted to SEK -74.5 million compared to SEK +68.5 million for 2020. The difference between the two years is primarily attributable to the two preferential issues in 2020.

FINANCIAL POSITION

The balance sheet total at the end of the year on December 31, 2021, amounted to SEK 160.4 (213.8) million, a decrease of SEK 53.4 million in twelve months. The company's fixed assets increased by SEK 12.3 million compared to one year ago, primarily attributable to the partially completed and ongoing investment in new

sputtering machines and product development. In current assets, inventories, accounts receivable and current receivables increased by SEK 8.8 million the past twelve months, primarily due to ongoing production for the GT-5 order that will be delivered in the coming quarter and invoicing for the ongoing partial deliveries of the same order.

Cash and cash equivalents amounted to SEK 18.9 million on December 31, 2021, compared to SEK 93.4 million on December 31, 2020. This entails a decrease in cash and cash equivalents by SEK 74.5 million for the past twelve months.

Equity at the end of the year amounted to SEK 57.7 million, of which restricted equity amounted to SEK 7.0 million and unrestricted equity to SEK 50.7 million. For the same period in 2020, equity amounted to SEK 120.9 million.

Adjusted equity considering two conditional loans from the Swedish Energy Agency amounted to SEK 105.3 million compared to the opening balance for the year of SEK 168.5 million.

In October 2020, ChromoGenics was granted a deferment until October 1, 2022, for its repayment obligation on the conditional loans from the Swedish Energy Agency, which means current liabilities of around SEK 11.2 million were reclassified as non-current liabilities. During the fourth quarter, some of the long-term interest-bearing liabilities once again became current interest-bearing liabilities of SEK 15.4 million. Long-term liabilities amounted to SEK 50.1 (63.4) million as per December 31, 2021.

Current liabilities amounted on the balance sheet date to SEK 52.6 (29.6) million. The equity/assets ratio amounted to 65.6 (78.8) percent as per December 31, 2021.

INVESTMENTS

Investments in 2021 amounted to SEK -16.0 (-20.6) million, of which SEK -5.0 (-1.2) million refers to intangible assets associated with the

product development of wireless control of the dynamic glass and the installation of a new business system. The acquisition of fixed assets amounted to SEK -11.0 (-19.5) million. The amounts refer to the completed installation of Sputter I through the end of August 2021 and the next ongoing development stage of Sputter 1 to raise the machine capacity another notch in the specific production process.

The company's next stage of development is to reduce its production costs and simultaneously realize an increase in its production efficiency and quality. 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 2021 amounted to 23 (29). There were on average 33 (36) employees (FTEs), including temporary staffing and consultants, during full-year 2021 compared to 3 fewer in 2020. There were 29 employees at December 31, 2021, compared to 24 at December 31, 2020.

SHARE CAPITAL

The most recent change in the share capital was registered on September 30, 2021, after the first completed utilization period of two for the warrants in series 2020/2022:1 that ChromoGenics issued in conjunction with a rights issue at the end of 2020. The second period will be March 16–31, 2022, and one warrant is entitled to subscription of one (1) new share in ChromoGenics at a subscription price corresponding to eighty (80) percent of the volume-weighted average price paid for the ChromoGenics share on Nasdaq First North

Growth Market during the period February 28–March 11, 2022, although no less than SEK 8.00 and no more than SEK 12.00.

The issue raised approximately SEK 0.5 million for the company after issue expenses. Through the utilization of the warrants, the number of shares in ChromoGenics increased by 61,576, and the number of shares after the new share issue amounts to 17,037,595. The share capital amounts to SEK 3,407,519.00 with a quotient value of SEK 0.20.

In conjunction with the acquisition of the net assets of I-Window International AB in September 2018, a 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. The completed reverse share split in the summer of 2020, through which one hundred (100) shares were consolidated into one (1) share, and the most recent preferential rights issue in December 2020 impacted the recalculation that entitles each warrant to subscription of 0.0224 shares at a subscription price of SEK 89.31/share from as per December 31, 2021. A maximum of 44,863 new shares could have been issued at a subscription price of SEK 89.31/share, but the warrants were not utilized by I-Window International AB.

SHAREHOLDERS

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

The largest shareholders as at December 31, 2021, are presented below:

Shareholders per 2021-12-31	Ordinary shares	Votes and capital
Danske Bank International S.A.	1 285 246	7,54%
Försäkringsaktiebolaget, Avanza Pension	1 130 841	6,64%
RGG-ADM Gruppen	874 955	5,14%
Corespring Invest AB	692 293	4,06%
Nordnet Pensionsförsäkring	553 583	3,25%
Henrik Persson	374 962	2,20%
Bengt Josefsson Utvecklings AB	300 000	1,76%
Färna Invest AB	300 000	1,76%
Commerzbank AG, W8IMY	276 776	1,62%
SEB Pank AS, NQI	209 975	1,23%
ÖVRIGA	11 038 964	64,79%
TOTALT	17 037 595	100,0%

Source: Euroclear AB

According to Euroclear, there were 6,234 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 [Annual Report 2020](#)

Liquidity risk

Cash and cash equivalents amounted to SEK 18.9 million on December 31, 2021. Two rights issues were conducted in 2020, of which the first in February–March 2020 brought in net SEK 62.7 million. The second preferential rights issue was conducted in November–December 2020 and contained units with five shares and two warrants that increased liquidity by raising net SEK 78.3 million.

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

Normally, a significant portion of the company's sales is in SEK. The ongoing project Gullhaugs Torg 5 in Oslo is being invoiced in EUR. 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 consisting of approximately 45 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 reviewed by the company's auditor.

CALENDAR

May 19, 2022	Interim Report January–March 2022
May 19, 2022	Annual General Meeting 2022
August 25, 2022	Interim Report January–June 2021
November 18, 2022	Interim Report January–September 2022
February 17, 2023	Year-End Report 2022

The Board of Directors and CEO hereby confirm that the year-end 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 8, 2022

ChromoGenics AB (publ) CIN 556630-1809

Anders Brännström
Board member

Johan Hedin
Chair of the Board of Directors

Mari Broman
Board member

Claes-Göran Granqvist
Board member

Andreas Jaeger
Board member

Fredrik Fränding
CEO

For more information, please contact:

Fredrik Fränding, CEO: +46 72 249 24 62

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

info@chromogenics.com

Certified Adviser: Erik Penser Bank AB

About ChromoGenics

ChromoGenics is a proptech company that produces dynamic glass for real estate. The company's product ConverLight® Dynamic, controls indoor comfort with high daylight transmission, great view and solar heat blocking and thereby reduces cost of cooling. ConverLight® Dynamic is based on a patented solution where electrochromic coatings are laminated in plastic film and then laminated between glass. The plastic film is easy to transport, so long shipments of bulky glass can be avoided. ChromoGenics also offers static glass, ConverLight® Static, and the ConverLight® Energy facade glass solution. ChromoGenics' stock was listed on Nasdaq First North Growth Market in 2017 and has supplied glass technology to several major real estate companies.

ChromoGenics originates from world-leading research at Ångströmlaboratoriet at Uppsala University. The company's production facility in Uppsala has been partially financed with conditional loans from Energimyndigheten (Energy Authority) in Sweden. ChromoGenics' share (CHRO) is listed on Nasdaq First North Growth Market with Erik Penser Bank as Certified Adviser: certifiedadviser@penser.se. <http://www.chromogenics.com>

Financial Statements:

Income Statement

Balance Sheet

Statement of Cash Flows

Statement of Changes in Equity

Notes

Income Statement per Individual Quarter

Statement of Cash Flows per Individual Quarter

Income Statement

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	13 658	1 968	24 690	14 616
Change in inventories of products in progress	-224	192	922	-2 365
Capitalized own work	786	2 803	4 536	4 886
Other operating income	823	-1 757	1 295	682
Gross operating income	15 043	3 206	31 443	17 819
Raw materials and consumables used	-11 854	-1 474	-21 399	-16 996
Other external costs	-9 910	-4 046	-44 470	-27 305
Personnel costs	-6 514	-5 305	-21 941	-25 007
Depreciation of intangible assets and tangible assets	-779	-527	-2 286	-4 982
Other operating expenses	-717	-1	-1 002	-302
Total operating expenses	-29 774	-11 353	-91 098	-74 592
Operating income	-14 731	-8 147	-59 655	-56 773
Interest income	12	10	101	67
Interest expenses	-1 081	-789	-3 979	-5 769
Total result of financial items	-1 069	-779	-3 878	-5 702
Operating income after financial items	-15 800	-8 926	-63 533	-62 475
Tax	0	0	0	0
Net income	-15 800	-8 926	-63 533	-62 475

Balance Sheet

KSEK	2021 31-Dec	2021 30-Sep	2021 30-Jun	2020 31-Mar	2020 31-Dec
ASSETS					
Non-current Assets					
Intangible assets	10 513	10 182	9 358	8 256	6 851
Property, plant and equipment	101 794	100 621	96 364	93 359	90 839
Financial assets	2 452	2 443	4 348	4 396	4 765
Total non-current assets	114 759	113 246	110 070	106 011	102 455
Current Assets					
Inventories and work in progress	11 011	13 322	7 617	7 054	8 245
Trade receivables	8 857	12 758	9 936	10 404	2 225
Other current receivables	6 966	12 145	10 770	10 817	7 518
Cash and cash equivalents	18 851	28 214	48 495	69 182	93 390
Total current assets	45 685	66 439	76 818	97 457	111 378
TOTAL ASSETS	160 444	179 685	186 888	203 468	213 833
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	3 408	3 408	3 395	3 395	3 395
Fund, development expenses	3 562	1 779	1 779	1 779	1 779
<i>Non-restricted equity</i>					
Share premium reserve	650 330	650 340	649 880	649 884	650 036
Accumulated profit/loss	-536 065	-534 282	-534 281	-534 281	-471 806
Operating income for the period	-63 533	-47 733	-40 482	-10 691	-62 475
Total equity	57 702	73 512	80 291	110 086	120 929
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ¹⁾	46 264	59 939	59 012	58 094	57 010
EU contribution	3 839	3 959	6 343	6 343	6 343
Total non-current liabilities	50 103	63 898	65 355	64 437	63 353
Current liabilities					
Current interest-bearing liabilities ¹⁾	15 434	0	0	0	0
Trade payables	7 772	11 145	6 728	7 363	8 149
Other current liabilities	29 433	31 130	34 514	21 582	21 402
Total current liabilities	52 639	42 275	41 242	28 945	29 551
TOTAL EQUITY AND LIABILITIES	160 444	179 685	186 888	203 468	213 833

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

Statement of Cash Flows

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
OPERATING ACTIVITIES				
Profit/loss before tax	-14 731	-8 147	-59 655	-56 773
Financial income and expenses	-1 071	-779	-3 880	-5 702
<i>Adjustments for non-cash items:</i>				
Contribution from EU	0	1 578	0	1 578
Capital gain sold fixed assets	0	22	0	17
Depreciation/amortization and impairment	779	527	2 286	4 982
Cash flow from operating activities before changes in working capital	-15 023	-6 799	-61 249	-55 898
<i>Cash flow from changes in working capital</i>				
Increase(-)/decrease(+) inventories	2 311	-1 193	-2 766	-1 496
Increase(-)/decrease(+) trade receivables	3 901	434	-6 632	5 089
Increase(-)/decrease(+) current receivables	5 172	1 622	2 867	3 579
Increase(+)/decrease(-) trade payables	-3 373	-1 133	-377	-13 442
Increase(+)/decrease(-) current liabilities ¹⁾	-868	6 614	9 405	12 424
Cash flow from changes in working capital	7 143	6 344	2 497	6 154
Cash flow from operating activities	-7 880	-455	-58 752	-49 744
INVESTING ACTIVITIES				
Acquisition of intangible assets	-701	-1 220	-4 985	-1 220
Acquisition of property, plant and equipment	-670	-2 707	-11 006	-19 465
Sale of property, plant and equipment	0	0	0	40
Cash flow from investing activities	-1 371	-3 927	-15 991	-20 645
FINANCING ACTIVITIES				
New share issue	-10	78 339	306	140 798
Repayment of debt	0	-1 869	0	-1 869
Repayment of leasing debt	-102	-	-102	-
Cash flow from financing activities	-112	76 470	204	138 929
CASH FLOW FOR THE PERIOD	-9 363	72 088	-74 539	68 540
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	28 214	21 302	93 390	24 850
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	18 851	93 390	18 851	93 390

Statement of changes in equity

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2020	80 476	738	432 158	-470 766	42 606
New share issues	62 971		107 343		170 314
New share issue fees			-29 516		-29 516
Fund for development expenses		1 041		-1 041	0
Decrease of share capital	-140 052		140 052		0
Operating income for the period				-62 475	-62 475
Equity 31 Dec 2020	3 395	1 779	650 037	-534 282	120 929

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2021	3 395	1 779	650 037	-534 282	120 929
New share issues	12		480		492
New share issue fees			-186		-186
Fund for development expenses		1 783		-1 783	0
Operating income for the period				-63 533	-63 533
Equity 31 Dec 2021	3 407	3 562	650 331	-599 599	57 702

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 47.6 million. Equity taking into account the soft loan, i.e. adjusted equity, amounted to SEK 105.3 million as per December 31, 2021 and SEK 168.5 million as per December 31, 2020.

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 company applies a production dependent depreciation method regarding the Sputter machines. The depreciation takes place in step with produced units. Otherwise the accounting principles have not changed compared to the previous year.

Income Statement per isolated quarter

KSEK	2020				2021			
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4
Net sales	5 194	3 994	3 460	1 968	1 616	1 682	7 734	13 658
Change in inventories of products in progress	-314	-1 261	-982	192	-314	-1 209	2 669	-224
Capitalized own work	958	614	511	2 803	1 320	1 149	1 281	786
Other operating income	854	2 857	-1 272	-1 757	69	276	127	823
Gross operating income	6 692	6 204	1 717	3 206	2 691	1 898	11 811	15 043
Raw materials and consumables used	-6 319	-4 796	-4 407	-1 474	-1 595	-1 305	-6 645	-11 854
Other external costs	-9 557	-8 485	-5 217	-4 046	-5 077	-23 295	-6 188	-9 910
Personnel costs	-7 640	-6 894	-5 168	-5 305	-5 147	-5 588	-4 692	-6 514
Depreciation of intangible assets and tangible assets	-1 687	-1 492	-1 276	-527	-481	-456	-570	-779
Other operating expenses	-208	-24	-69	-1	-165	-55	-65	-717
Total operating expenses	-25 411	-21 691	-16 137	-11 353	-12 465	-30 699	-18 160	-29 774
Operating income	-18 719	-15 487	-14 420	-8 147	-9 774	-28 801	-6 349	-14 731
Interest income	8	29	20	10	33	33	23	12
Interest expenses	-768	-3 481	-731	-789	-950	-1 023	-925	-1 081
Total result of financial items	-760	-3 452	-711	-779	-917	-990	-902	-1 069
Operating income after financial items	-19 479	-18 939	-15 131	-8 926	-10 691	-29 791	-7 251	-15 800
Tax	0	0	0	0	0	0	0	0
Net income	-19 479	-18 939	-15 131	-8 926	-10 691	-29 791	-7 251	-15 800

Average number of shares before dilution ¹⁾ /split or of shares 100:1	5 548 573	7 073 342	7 073 342	7 073 342	7 073 342	7 073 342	7 073 342	7 073 342
Average number of shares after dilution ¹⁾	5 548 573	7 073 342	7 073 342	13 439 349	13 439 349	13 439 349	12 055 469	12 055 469
Outstanding shares at the end of the reporting period before dilution ¹⁾	5 548 573	7 073 342	7 073 342	16 976 019	16 976 019	16 976 019	17 037 595	17 037 595
Outstanding shares at the end of the reporting period after dilution at full utilization. ¹⁾	7 073 342	7 073 342	7 073 342	19 850 218	19 850 218	19 850 218	19 850 218	19 850 218
Outstanding warrants at the end of the reporting period ¹⁾	44 519	44 519	44 440	2 874 199	2 874 199	2 874 199	2 812 623	2 812 623
Earnings per share before dilution, SEK ¹⁾	-3,51	-2,68	-2,14	-1,26	-1,51	-4,21	-1,03	-2,23
Earnings per share after dilution, SEK ¹⁾	-3,51	-2,68	-2,14	-0,66	-0,80	-2,22	-0,60	-1,31

¹⁾ During the first quarter of 2020, a rights issue was issued which added 304,953,790 new shares.

²⁾ In August 2020, a reduction of the share capital and the number of shares was implemented through a reverse split of 100 shares into 1 share, which reduced the number of shares to 7,073,342 shares.

³⁾ In December 2020 a share issue was conducted which added the company 9 902 676 new shares which increased the number of shares to 16 976 019.

⁴⁾ In September 2021, 61,576 warrants were exercised to subscribe for the same number of shares, which added 61,576 new shares to the company, which increased the numbers of shares to 17,037,595.

⁵⁾ The subscription price of the warrants is less than the current price of the shares as of December 31, 2021

Statement of Cash Flows isolated quarters

KSEK	2020 Iso. Q1	2020 Iso. Q2	2020 Iso. Q3	2020 Iso. Q4	2021 Iso. Q1	2021 Iso. Q2	2021 Iso. Q3	2021 Iso. Q4
OPERATING ACTIVITIES								
Profit/loss before tax	-18 719	-15 487	-14 420	-8 147	-9 774	-28 801	-6 349	-14 731
Financial income and expenses	-761	-3 451	-711	-779	-917	-990	-902	-1 071
<i>Adjustments for non-cash items:</i>								
Contribution from EU	-	-	-	1 578	369	48	-417	0
Capital gain sold fixed assets	-	-5	0	22	0	0	0	0
Depreciation/amortization and impairment	1 687	1 492	1 276	527	481	456	570	779
Cash flow from operating activities before changes in working capital	-17 793	-17 451	-13 855	-6 799	-9 841	-29 287	-7 098	-15 023
<i>Cash flow from changes in working capital</i>								
Increase(-)/decrease(+) inventories	-3 976	2 263	1 410	-1 193	1 191	-563	-5 705	2 311
Increase(-)/decrease(+) trade receivables	1 798	2 305	552	434	-8 179	468	-2 822	3 901
Increase(-)/decrease(+) current receivables	-121	-363	1 967	1 622	-3 299	47	947	5 172
Increase(+)/decrease(-) trade payables	-1 772	-7 170	-3 367	-1 133	-786	-635	4 417	-3 373
Increase(+)/decrease(-) current liabilities	3 083	1 003	2 198	6 614	1 264	13 850	-4 841	-868
Cash flow from changes in working capital	-988	-1 962	2 760	6 344	-9 809	13 167	-8 004	7 143
Cash flow from operating activities	-18 781	-19 413	-11 095	-455	-19 650	-16 120	-15 102	-7 880
INVESTING ACTIVITIES								
Acquisition of intangible assets	0	0	0	-1 220	-1 717	-1 414	-1 153	-701
Acquisition of tangible assets	-7 550	-5 543	-3 665	-2 707	-2 689	-3 149	-4 498	-670
Sale of property, plant and equipment	0	40	0	0	0	0	0	0
Cash flow from investing activities	-7 550	-5 503	-3 665	-3 927	-4 406	-4 563	-5 651	-1 371
FINANCING ACTIVITIES								
New share issue	62 708	-191	-58	78 339	-152	-4	472	-10
Repayment of debt	0	0	0	-1 869	0	0	0	0
Repayment of leasing debt	0	0	0	0	0	0	0	-102
Cash flow from financing activities	62 708	-191	-58	76 470	-152	-4	472	-112
CASH FLOW FOR THE PERIOD	36 377	-25 107	-14 818	72 088	-24 208	-20 687	-20 281	-9 363
CASH AND CASH EQUIVALENTS AT START OF THE PERIC	24 850	61 227	36 120	21 302	93 390	69 182	48 495	28 214
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	61 227	36 120	21 302	93 390	69 182	48 495	28 214	18 851