

ChromoGenics

Year-End Report January 1–December 31, 2023



ChromoGenics wins prestigious project from Skanska – Swedish National Board of Housing, Building and Planning’s new head office

Q4 2023

- ChromoGenics’ order intake for Q4 2023 was SEK 6.6 (2.8) million, an increase of SEK 3.8 million compared to the corresponding period the previous year. During the second half of 2023, the company has improved order intake significantly compared to the previous quarter. For example, during the fall the company received an assignment from Skanska to deliver dynamic glass to the Swedish National Board of Housing, Building and Planning's new head office in Karlskrona, which was designed by Sandell Sandberg. The project is significant since the goal is to certify the property in accordance with several strict environmental standards such as NollCO2, Well Platinum, BREEAM SE EXCELLENT and Energiklass A. The value of the order volume at the end of the fourth quarter was SEK 11.3 million.
- ChromoGenics’ net sales amounted to SEK 2.5 (3.5) million in the past quarter. The decrease can be associated with weaker order intake during the first half of 2023 due to the challenging market situation and the uncertainty on the property market. The company's products are specially made and complex, which means that customers’ decision processes take time, and given the elevated uncertainty on the market, this unavoidably leads to longer decision times for investments, which had a negative impact on the company’s sales.
- Operating profit before depreciation/amortization amounted in the period to SEK -13.2 (-10.4) million, where the weaker development of SEK 2,8 million is explained by SEK 3.3 million less in income combined with an increase in external costs of SEK -1.9 million, but which in part is reduced by lower costs for input goods of SEK 1.5 million and decreased personnel costs of SEK 0.9 million.
- Profit/loss for the period before tax amounts to SEK -16.6 (-12.4) million, and the decrease of SEK 4.2 million is explained primarily by weaker operating profit before depreciation/amortization of SEK 2.8 million, but in addition there is an increased depreciation charge of SEK 1.1 million after the company changed during the quarter its assessment of the depreciation period for parts of its property, plant and equipment.

Earnings performance in summary

	2023	2022	2023	2022
MSEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	2,5	3,5	13,6	18,3
EBITDA	-13,2	-10,7	-43,5	-52,6
Net income	-16,6	-12,4	-52,5	-57,0
EPS before dilution, SEK	-4,0	-22,6	-19,8	-158,8
Cash and cash equivalents at end of period	7,9	24,1	7,9	24,1

**figures have been restated for comparability between the years due to the reverse share split in Q3 2023*

Important events in 2023

- ChromoGenics announces that it will deliver ConverLight dynamic glass to an office building in Sweden. The total order value is expected to be approximately SEK 6 million. The ConverLight product is based on advanced technology where an electrochromic film is laminated into glass to be able to regulate the intensity of the sun's rays and heat conveyance into properties. The solution improves the indoor environment and well-being and decreases energy consumption, operating costs and the impact of the property on the climate. *(December 5, 2023)*
- ChromoGenics announces the outcome of exercised warrants of series TO 6 that were issued in conjunction with ChromoGenics' rights issue announced on May 17, 2023 Warrants for series TO 6 were subscribed to approximately 0.25 percent. ChromoGenics will receive approximately SEK 51 thousand before issue expenses. *(November 22, 2023)*
- ChromoGenics and Smartglass International in Ireland announced they had signed a letter of intent regarding manufacturing, marketing and distribution of the dynamic glass ConverLight® Dynamic. Smartglass International is a respected manufacturer and supplier of smart glass solutions and serves the European and North American markets. The company has delivered more than 4,000 projects in 35 countries. ChromoGenics expects the cooperation with Smartglass International to facilitate development of the European and the North American markets. *(October 27, 2023)*
- As part of ChromoGenics' strategy, the company is launching an entirely new website for its leading innovation ConverLight®Dynamic. The website is part of ChromoGenics' expansion strategy and is considered to further strengthen the company's sustainability profile and open up opportunities for quicker entry into new markets. *(October 19)* www.converlight.com



- ChromoGenics resolves on a rights issue of approximately SEK 30 million and moves forward the Annual General Meeting and annual report for 2022 from June 6, 2023, to May 31, 2023. *(May 17, 2023)*
- ChromoGenics starts a cooperation with Thomsa Glass and receives its first order from the Netherlands. Thomsa Glass represents unique architectural, dynamic and energy-saving glass products and systems to create carbon-neutral buildings. The company focuses on sales and distribution of high-quality smart glass products and solutions in Benelux and several other markets. *(May 9, 2023)*
- The company announces the outcome of the exercise period for warrants series TO 4 and TO 5 that were issued in conjunction with ChromoGenics AB's rights issue announced on February 8, 2022. Warrants of series TO 5 were subscribed at approximately 44.7 percent, and warrants of series TO 4 were subscribed at approximately 0.3 percent. ChromoGenics will receive approximately SEK 5.8 million before issue expenses. *(March 29, 2023)*
- ChromoGenics' product ConverLight®Dynamic demonstrates excellent sustainability in a very demanding accelerated aging test for ISO 18543:2021, which is an accelerated long-term test for aging and sustainability for electrochromic glass in buildings. The test includes different aging factors, such as

UV intensity, high temperatures, and high cycling frequency. The test consists of 5,000 hours of continuous shifting between light and dark during 30,000 cycles of high temperature and constant UV radiation, which corresponds to more than 20 years of normal use. (March 20, 2023)

Events after the end of the reporting period

- In a pioneer project with high requirements on environmental performance, Skanska is building the new head office for the Swedish National Board of Housing, Building and Planning in Karlskrona. The building is a pilot project and sets an entirely new standard for sustainable office properties of the future, where the choice of dynamic glass fell to ChromoGenics' most recent innovation, ConverLight. This order was previously communicated in a press release from the company on 10/15/2023, in which the project name and the companies involved were not specified. The order was included in order intake in Q3 2023. (February 19, 2023)
- Chromogenics has successfully completed a directed share issue of approximately SEK 16 million. The board of directors of ChromoGenics AB (publ) has, 5th March, subject to subsequent approval by the extraordinary general meeting on 5 April 2024, resolved on a directed issue of 2,505,885 shares. The subscribers in the directed issue consist of existing shareholders, including the Company's two largest shareholders Färna Invest AB and Parment Förvaltning AB. The proceeds from the directed issue will mainly be used to strengthen the sales organisation, intensify partnership dialogues and finance the Company's working capital. In connection with the directed issue, ChromoGenics has also entered into loan agreements, on market terms, of a total of SEK 7 million, SEK 5 million with Parment Förvaltning AB, of which SEK 2.5 million is intended to be set off against shares in connection with the Directed Issue, and SEK 2 million with Bengt Josefsson Utveckling Aktiebolag.



New Prins Henrik Skole, Copenhagen

Comments from the CEO

ChromoGenics is a proptech company that contributes to more daylight and well-being indoors, higher energy efficiency, and a decreased footprint for the real estate industry.



The Swedish National Board of Housing, Building and Planning chooses ConverLight

The low activity level in the construction and real estate market continued during the quarter in both Sweden and other markets where we are active. Despite the challenging market conditions, we improved order intake compared to the fourth quarter of last year.

Order intake for the second half of 2023 is significantly better than for the first half. We are also seeing that the investments we are making in digital marketing are having an effect on new contacts and concrete requests outside of the Nordic region. We will continue this work.

Our school project in Copenhagen, Ny Prins Henriks Skole, is receiving a lot of attention. The visit by the Danish Queen and its building's recognition as Construction Project of the Month in Denmark has led to good publicity, including an article in the magazine

Byggeri. The project also is being visited by many architects who want to know more about how to sustainably create the best possible conditions for teaching without using air conditioning.

Knowledge about ConverLight is also increasing in Germany. The key industry magazine *GlasWelt* decided in March 2024 to publish an article about one of our projects and our cooperation with local German glass companies.

During the fall, we agreed with Skanska on the delivery of dynamic glass to the Swedish National Board of Housing, Building and Planning's new head office in Karlskrona. This is a very important reference project for us. The project noted early that the glass facade caused some of the largest carbon emissions. To achieve the extremely high sustainability targets thus required new innovative solutions, and the choice fell to ConverLight. We are very proud over the opportunity to help set the standard for sustainable offices of the future.

The project places high demands on us; in part, we will deliver the world's largest curved electrochromic glass. We also completed the finetuning of our darker product, ConverLight 65, which will be delivered to the Swedish National Board of Housing, Building and Planning and is in demand in Europe.

The strict environmental requirements in the project with the Swedish National Board of Housing, Building and Planning has resulted in costs during the fourth quarter linked to product preparations and finetuning. We have

now begun production of the glass for the Swedish National Board of Housing, Building and Planning and determined that the work has generated the intended result. Production is stable, product performance is good, and we are looking forward to a fantastic reference project.

Cost focus continues

We have not successfully offset the lower sales through lowered costs. We had high one-off costs during the quarter linked to audits and legal services that we are not expecting in the future. However, we need to continue to review our cost structure.

The cost of raw material in relation to net sales has improved and continues to be in focus. The gross margin must, and can, be improved further, but the company is now making a good gross profit on completed sales. Sales must now increase, along with gross profit.

During the quarter we worked with different ways to strengthen the company's financial position. For example, we applied to the EIC Accelerator program, which we believe suits us well and potentially could provide a substantial capital contribution.

A group of the company's large owners also injected capital through a directed share issue and loans, for which we are very grateful.

Dynamic glass is a key component in creating energy-efficient and environmentally friendly properties of the future. Thanks to the company's unique technology, our CO₂ footprint is significantly lower than other alternatives, which was why Skanska chose us

for the Swedish National Board of Housing, Building and Planning's new head office.



Photo: Sandellsandberg

Dynamic glass is a key component in creating energy-efficient and environmentally friendly properties of the future. Thanks to the company's unique technology, our CO₂ footprint is significantly lower than other alternatives, which was why Skanska chose us for the Swedish National Board of Housing, Building and Planning's new head office. Being able to also offer the Swedish National Board of Housing, Building and Planning's employees a fantastic view and work environment creates both satisfied personnel and an attractive property that increases in value.

ChromoGenics possesses a sputtering facility that is unique in its kind, both in terms of performance and capacity. We have recently conducted an external valuation of the facility supporting the book value in excess of 90 MSEK. The production of electrochromic materials and ITO has significantly improved, and the production process is robust and stable.

The largest sputtering facility in Northern Europe, along with our unique expertise in the field, is of interest to several other Swedish industrial companies. Thanks to the progress in our own production, we have had capacity

to proceed with several funded development projects, where we develop new innovative products on behalf of Swedish industrial companies. Thin films and sputtered materials have the potential to create significant value and new innovative products within the Swedish base-industry. We see opportunities for new revenue streams in due course and hope to provide more details on these projects later in the year.

Fredrik Fränding, CEO

Q4 2023 – October to December

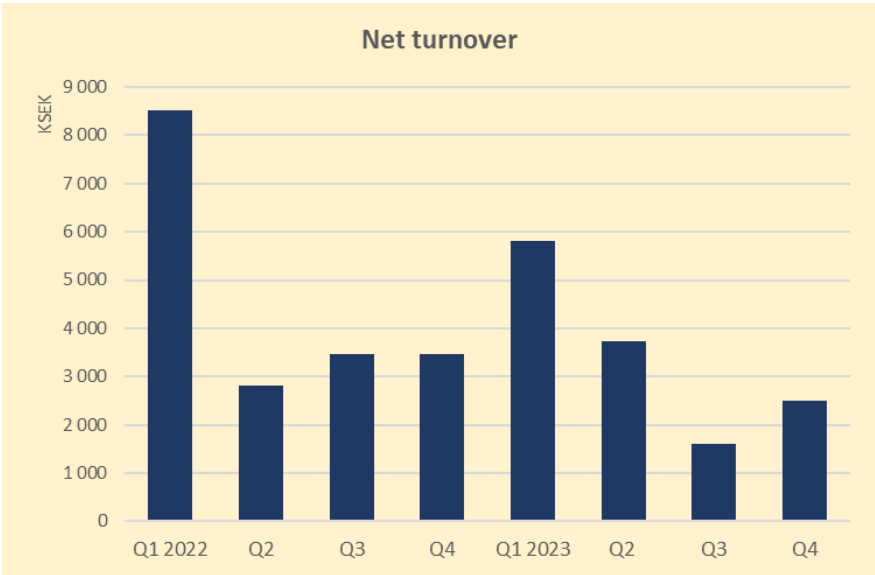
NET SALES

In Q4 2023, ChromoGenics’ net sales amounted to SEK 2.5 (3.5) million, a decrease of SEK 0.9 million compared to the corresponding quarter in 2022. The decrease in net sales compared to the previous year is a result of the weaker order intake at the end of 2022 and the first half of 2023.

Work performed for the company's own use and capitalized, which refers to development linked to the production of new products, amounted to SEK 0.2 (2.3) million. The decrease of SEK 2.1 million is primarily due to the conclusion in September 2023 of an in-house initiative in an EU project that aims to develop better production methods, which had a negative impact on income compared to 2022.

Other operating income amounts to SEK 1.7 (1.4) million, and the change can be primarily attributed to the absence of corresponding insurance compensation of SEK 574 million that was paid in 2022 and lower other remuneration of SEK 450 thousand. In total, however, the decrease in income is offset by the effect of two written-down loans, one small loan from IUC and one large loan from the Swedish Energy Agency, which contributes positively with SEK 920 thousand and provides a net contribution of SEK 0.2 million compared to the corresponding period in 2022.

The company's total income in Q4 2023 amounts to SEK 3.5 (6.7) million, where the decrease of SEK 3.2 million is primarily attributable to lower net sales of SEK 1 million and the effect of an EU project that ended in 2023 and had a positive impact on profit of SEK 2.1 million.



ORDER INTAKE

In Q4 2023 the company had order intake of SEK 6.6 (2.8) million, an increase of SEK 3.8 million compared to the corresponding period the previous year. The order intake is attributable primarily to an order for an office project in Sweden of SEK 6 million and a number of smaller orders from France, Norway and Germany.

During the second half of 2023, the company has improved order intake significantly compared to the previous quarter. However, the slow-down in the building sector is continuing to have an impact on the company. The company is working actively on the Nordic and European markets in cooperation with other companies and has launched different market activities, including a new website. The goal is to continue to strengthen order intake despite the headwind in the market. There is strong interest in the company’s products, and the focus is on converting interest and business opportunities into concrete sales.

During the fall, the company received an assignment to deliver dynamic glass to the Swedish National Board of Housing, Building and Planning’s new head office in Karlskrona. The office building was designed by Sandell Sandberg. Skanska was named the responsible general contractor by the property company Vacse. The project is significant since the goal is to certify the property in accordance with several strict environmental standards, such as NollCO2, Well Platinum, BREEAM SE EXCELLENT and Energiklass A. The project is therefore an important reference for the company and an example of the sustainable construction of the future. The value of the order volume at the end of the fourth quarter was SEK 11.3 million. The order volume includes the Swedish National Board of Housing, Building and Planning’s project, which is expected to be delivered during the first half of 2024.





COST DEVELOPMENT

In order to adjust to the weaker market outlook during the year, ChromoGenics continued to focus on cost control and to regularly review, for example, contracts for various services to identify potential cost reductions.

During the period, the company's total operating expenses (excl. net financial items) amounted to SEK -18.9 (-18.3) million.

The cost of raw materials in relation to net sales continues to be a focus area and is developing in the right direction, with a ratio of 42% in the fourth quarter compared to 35% during the third quarter and 16% in the corresponding period in 2022. For raw materials and consumables, there was a decrease during the period of a total of SEK -1.4 million compared to SEK -2.9 million in Q4 2022. A positive impact on profit is primarily due to lower purchasing expenses, decreased scrapping costs, and the absence of international freight in 2023.

The largest expense item is other external costs, which creased SEK 1.9 million compared to the corresponding period in 2022 and consist of increased insurance & risk costs of SEK -2 million, an increased audit cost that is fully attributable to 2022 of SEK -1.2 million, and increased consultancy costs of SEK -1.2 million that are primarily linked to the ongoing insurance claim that hopefully will be settled in 2024. To some extent, the increased external costs are reduced by the decrease in other external costs of SEK 1.7 million for a final settlement with a customer that was completed in Q4 2022 but does not have a corresponding cost in 2023.

Personnel costs amount to SEK -6.2 (-7.1) million in the period and are SEK 0.9 million lower than in Q4 2023 compared to the corresponding period in 2022. This is due to a change in cost structure that

also provides lower other personnel-related costs in the form of pensions, social security contributions, etc.

The cost of depreciation/amortization increased in the period by more than SEK 1 million to SEK -1.9 (-0.9) million. The cause behind this increase is primarily that some projects were closed during the year, at which point depreciation/amortization started. There is also a smaller effect of SEK 243 thousand in the quarter due to a change in the view of the depreciable life of parts of property, plant and equipment. In conjunction with a review of depreciation/amortization periods, the Board also assessed whether there is an impairment need associated with fixed assets. This was done by ordering an external valuation of the company's production equipment. This evaluation gives no indication that there is an impairment need in the item.

SEK 1.3 million was drawn in the fourth quarter from the provision for redeliveries, which thus amounted at the end of the period to SEK 6.7 (8.6) million.

Net financial items amount in the period to SEK -1.1 (-0.9) million and are due primarily to increased interest rate expenses on non-current loans.

The company's ongoing insurance case related to the installation at Gullhaug Torg 5 in Oslo continues to be under investigation by the involved insurance companies. The case concerns damages to installed glass that are deemed to have been caused by an error at a subcontractor. The company's assessment continues to be that the cost of repairing the damages will be covered by insurance. The company views the matter to be a contingent liability and has not created a provision for either costs or income from insurance.

ChromoGenics' operating profit/loss after financial items for the fourth quarter of the year amounted to SEK -16.6 (-12.4) million, which is a decrease of SEK 4.2 million compared to the corresponding period in 2022. Despite the decrease in income by SEK 3.2 million, the company has still been able to absorb cost increases that were assessed to be necessary, for example by investing in more focused marketing with a new website, other market channels and other market initiatives. In addition, there were also increased auditing costs for 2022 for which the company did not make a sufficient provision at year-end 2022, which had a negative impact on the outcome of 2023 of approximately SEK 1 million.

FINANCIAL POSITION

Cash and bank balances amounted to SEK 7.9 million on December 31, 2023, compared to SEK 24.1 million on the corresponding date in 2022. Despite the new issue in the spring of 2023, which contributed approximately SEK 16.5 million to liquidity, and the repayment of taxes and social security contributions pursuant to the COVID rules, which contributed SEK 13 million to liquidity, the weak sales in a hesitant market resulted in a negative cash flow from operating activities, and the development deteriorated compared to the corresponding period in 2022. Despite the focus on costs, the company has not been able to compensate for the loss in income with cost reductions.

Cash and bank balances include frozen funds linked to a bank guarantee for projects of approximately SEK 0.9 million.

Equity at the end of the period amounted to SEK 42.7 million, of which restricted equity amounted to SEK 44.9 million and non-restricted equity to SEK -2.2 million. At the same time in 2022, equity amounted to SEK 70.5 million, of which non-restricted equity amounted to SEK 33.8 million.

ChromoGenics was granted in 2022 an extended deferment until October 1, 2025, for its repayment obligation on the conditional loans from the Swedish Energy Agency. Given the extended deferment, the loans were reclassified from current liabilities to non-current liabilities. As at March 31, 2022, the debt in its entirety was classified as a non-current liability. The loan is subject to a condition of an additional status update and reporting in August 2024, at which point the Swedish Energy Agency is entitled to reconsider the decision. Non-current liabilities amounted to SEK 66 (69) million as per December 31, 2023. Current liabilities amounted on the balance sheet date to SEK 27.4 (24.9) million.

INVESTMENTS

Investments during Q4 2023 amounted to SEK 0.1 (0.2) million and are exclusively attributable to property, plant and equipment for upgrades to production equipment (the sputter). During the corresponding period in 2022, investments were made primarily in rented premises related to adaptation of the electricity on the premises to supply the production equipment with stable and sufficient electricity.

EMPLOYEES

The average number of employees in Q4 2023 was 32 (32). The average, including agency personnel and consultants, was 36, which is the same as in the corresponding period in 2022. The number of employees amounted to 33 as at December 31, 2023, which was 2 more than the 31 employees as at December 31, 2022.

SHARE CAPITAL

The rights issue carried out in Q2 2023 was registered with the Swedish Companies Registration Office on August 1, 2023. The rights issue was subscribed to 56.0 percent with and without the support of unit rights. In total, 167,157,849 units were subscribed with the support of unit rights, representing approximately 55.6 percent of the rights issue, and 1,045,519 units without the support of unit rights, representing approximately 0.3 percent of the rights issue. The remaining guaranteed part of the rights issue, corresponding to 72,019,594 units or approximately 24.0 percent, was allocated to guarantors, and ChromoGenics thereby received in total approximately SEK 24.0 million before issue expenses of SEK 7.4 million, which resulted in a net contribution of SEK 16.6 million. After registration of the rights issue with the Swedish Companies Registration Office, the company's share capital increased by SEK 20,418,951.77 to a total of SEK 35,011,396.13 (after registration of a decided share capital reduction). The number of shares in the company increased by 240,222,962 to a total of 411,898,778. This entails a dilution effect of around 58.3 percent.

The Annual General Meeting on June 1, 2023, resolved on a reverse share split for the Company's shares, whereby one hundred (100) existing shares were to be consolidated into one (1) share (consolidation 1:100). The Meeting authorized the Board of Directors to set the record date for the reverse share split, which was set for September 12, 2023. After the completed reverse share split, the number of shares in the company decreased from 411,898,778 to 4,118,987. Earnings per share were recalculated due to the reverse share split and are presented on page 2, Earnings performance in summary, and pages 25-26.

The outcome of exercised warrants for series TO 6, which were issued in conjunction with ChromoGenics' rights issue during the spring/summer of 2023, resulted in warrants for series TO 6 being subscribed to approximately 0.25 percent. In total, ChromoGenics received approximately SEK 51 thousand before issue expenses. With regard to TO 6, these have been registered and turned into normal shares on November 27, 2023, thus increasing the number of shares by 5,979 (with exercise of 597,900 warrants) for a total of 4,124,966.

January–December 2023

Net sales during the period amounted to SEK 13.6 (18.3) million, a decrease of SEK 4.7 million compared to the corresponding period the previous year. The decrease is primarily due to the drop in export sales of SEK -8.2 million, although this was to some extent offset by increased sales to the EU and Sweden. The Gullhaug Torg 5 project in Oslo, which was delivered in 2022, had no equivalent in 2023, and it is the single project that explains the decrease in net sales compared to 2022.

Work performed for the company's own use and capitalized amounted to SEK 2.0 (6.2) million, and the decrease of SEK 4.2 million is attributable primarily to the conclusion in September 2023 of an in-house initiative in an EU project that aims to develop better production methods for insulated glass.

Other operating income amounted to SEK 2.6 (3.8) million, and the decrease of SEK 1.1 million compared to the corresponding period in 2022 can be linked to capitalization of an in-house initiative that was completed in 2022 and capitalized starting in 2023.

Total operating expenses excluding impairment and net financial items amounted in 2023 to SEK 63.8 (81.9) million and thus decreased by 18.1 million or 22 percent, a reduction in costs that despite high inflation, a drop in demand and a negative exchange rate development almost completely matches the decrease in revenue during the year of SEK 9.7 million.

Raw materials and consumables amounted to SEK -10 (-22.3) million for the full year, and the decrease in costs of SEK 12.4 million can be attributed purchasing costs that were SEK 4.4 million lower, scrapping costs of SEK 4 million, and the absence of SEK 2.6 million for the purchase of services and international freight in 2023 compared to 2022.

Other external costs amounted to SEK -29.6 (-31.9) million, and the decrease in costs is primarily attributable to the absence of costs of SEK 3.9 million for temporary staff that were employed in production in 2022, and no corresponding costs in 2023 of SEK 1.7 million for a final settlement with a customer that was reached in Q4 2022. Consultancy fees has decreased by SEK +1,2 million which partly was offset by increasing management costs of SEK -1,8 million, increased insurance and risk costs of SEK - 1.4 million, increased property costs of SEK 0,9 million and increased costs for marketing of SEK -0,5 million. The major part of the increased management cost is related to costs for audit in 2022 of SEK 1.2 million for which the company did not make a sufficient provision at year-end 2022.

The depreciation charge for the year amounts to SEK -4.5 (-3.4) million, where the increase is fully attributable to the effect of a change in the view of the depreciable life of parts of property, plant and equipment. In conjunction with a review of depreciation/amortization periods, the Board also assessed whether there is an impairment need associated with fixed assets. This was done by ordering an external valuation of the company's production equipment. This evaluation gives no indication of an impairment need in the item due to a changed view on the depreciable life of production equipment that resulted in the impairment test the Board ordered through an external valuation.

Net financial items amount to SEK -3.7 (-1.0) million, and the increase is due in part to the increase in the interest expense on the loan from the Swedish Energy Agency of SEK 1.2 million and that an accounting correction was made in 2022 of previously incorrectly recorded late payment interest to the same agency, resulting in a positive effect on earnings of SEK 1.4 million, which did not have an equivalent in 2023.

Profit/loss after net financial items for FY 2023 amounts to SEK -52.5 (-56.9) million, an improvement of SEK 4.4 million compared to the corresponding period in 2022. The improved outcome is primarily due to greater cost focus, which resulted in lower costs in the period.

The balance sheet total at the end of the year amounted to SEK 139.2 (161.5) million, a decrease of SEK 22.4 million over twelve months. The company's fixed assets decreased during the full year by SEK 6 million to SEK 109.4 (115.5) million compared to one year ago. Current assets amount to SEK 29.8 (46) million compared to the same period in 2022, and the decrease is due primarily to the decrease of SEK 16.3 million in the company's cash and cash equivalents in the form of bank funds. Among other current assets, inventory decreased by SEK 3.9 million and receivables increased by SEK 1,8 million.

Investments during the period amounted to SEK 0.1 million and are attributable to property, plant and equipment, which refers to an upgrade to a sputter.

Equity at the end of the period amounted to SEK 42.8 (70.5) million, of which restricted equity amounts to SEK -2.2 (33.8) million.

CASH FLOW FULL YEAR 2023

Cash flow from operating activities before changes in working capital amounted to SEK -45.3 (-53.4) million, a decrease of SEK 8.1 million compared to Q4 2022. The decrease is also driven by the improved operating profit for the full year.

Cash flow from the operating activities including changes in working capital amounted to SEK -40.9 (-59.3) million in the fourth quarter.

The change in working capital of SEK 18.5 million in total is primarily attributable to an increase in current liabilities of SEK 23.9 million.

Net cash flow from investing activities amounted to SEK -0.01 (-4.9) million during the year.

Net cash flow from financing activities amounted to SEK 24.7 (69.5) million in 2023. Investments in intangible assets amounted to SEK 0.0 (-3.2) million. The acquisition of property, plant and equipment amounted to SEK 0.2 (-1.7) million. The positive cash flow from financing activities is primarily attributable to the new issue that was completed in July 2023.

Closing cash for the period amounted to SEK 7.9 million compared to SEK 24.1 million for the corresponding period in 2022.

Shareholders

Since March 23, 2017, ChromoGenics' shares and warrants have been traded on Nasdaq First North Growth Market. Vator Securities has been the Certified Adviser since February 26, 2023.

The largest shareholders, excluding interim shares, as at December 31, 2023, are presented below:

Shareholders as of 2023-12-31	Shares	Votes	Votes and share capital
Farna Invest AB	831 240	831 240	20,15%
PARMENT FÖRVALTNING AB	620 415	620 415	15,04%
TAMT AB	217 821	217 821	5,28%
INVESTMENT AKTIEBOLAGET BALTICUM	180 165	180 165	4,37%
Brandt, Barbro	140 140	140 140	3,40%
AVANZA PENSION	135 891	135 891	3,29%
BENGT JOSEFSSON UTVECKLING AKTIEB	115 065	115 065	2,79%
Persson, Henrik	49 015	49 015	1,19%
Ek, Johan	44 020	44 020	1,07%
Dicotyledon AB	40 447	40 447	0,98%
Other	1 750 747	1 750 747	42,44%
	4 124 966	4 124 966	100,00%

Number of shareholders as at 12/31/2023 5,896.00

Source: Euroclear Sweden AB

Significant risks and uncertainty factors

The company is exposed to a number of financial risks: liquidity risk, credit risk and currency risk. The Board of Directors and the company's management team strive to manage these risks by identifying, evaluating and, where appropriate, offsetting and counteracting them on a regular basis. For more information, see [2022 Annual Report](#).

Liquidity risk

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 economy and the interest rate can also influence customers' investment decisions.

The Board of Directors reviews on a regular basis the company's existing and forecast cash flows to ensure that the company has the means and resources required to conduct business and maintain the strategic direction adopted by the Board. The company's long-term need for cash is determined by how successfully the company will be at increasing its sales, directly but also through the new cooperation agreements entered into in 2023. Due to the slow-down in construction in Sweden, we believe that the increasing degree of international cooperations will have a positive impact on our business opportunities and thus on liquidity in the company.

At the end of December 2023, the company's cash and cash equivalents amounted to SEK 7.9 million, and current assets totaled approximately SEK 21.8 million, excluding cash and cash equivalents. Equity amounted to SEK 43 million at the end of the period. The rights issue completed in July raised SEK 24 million before issue expenses.

Based on the current adopted strategic plan, the Board of Directors makes the assessment that the company may need additional liquidity contributions in the coming 12-month period. Given this financing need, the Board of Directors is currently evaluating different financing alternatives. Financing in turn can be raised from different sources and carried out in different ways depending on prevailing market conditions. Based on the improved production outcome, increased cooperation with new partners, and pending marketing campaigns, the Board of Directors notes that the company has reached key operational and strategic milestones during 2023. To reinforce liquidity in a cost-efficient manner, the company applied for and was granted a tax rebate of SEK 13 million under the so-called COVID rules.

The Board continues to see good possibilities for successfully securing long-term financing for the company and is regularly monitoring various financing opportunities to secure sufficient financing.

Without additional financing there is a significant uncertainty that could result in significant doubt as to the company's ability to continue its operations.

Currency risk

Normally, a significant portion of the company's sales is 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. Given that the exchange rate exposure is currently relatively limited, this risk is managed without special currency hedging.

Employees

ChromoGenics currently has an organization of approximately 36 employees, including agency personnel and consultants, and is dependent on a number of key staff members. A weak financial position and weak profitability during the company's growth phase can limit the possibility of recruiting and keeping key staff members.

AUDITOR'S REVIEW

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

FINANCIAL CALENDAR

Financial Calendar 2024		
Report / Event	Date	Hour
Annual report 2023	2024-04-25	08:30
Interim report January - March 2024	2024-05-23	08:30
Annual General Meeting 2024	2024-05-28	10:00
Interim report January - June 2024	2024-08-23	08:30
Interim report January -September 2024	2024-11-22	08:30
Interim report Q4 and full year 2024	2025-02-21	08:30

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, March 7, 2024

ChromoGenics AB (publ) CIN 556630-1809

Anders Brännström

Board member

Johan Hedin

Chair of the Board of Directors

Sirpa Engman

Board member

Fredrik Andersson

Board member

Andreas Jaeger

Board member

Fredrik Fränding

CEO

For more information, please contact:

Fredrik Fränding, CEO: +46 72 249 24 62

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This report, together with previously published interim reports, is available in its entirety on the company's website.

<https://chromogenics.com/sv/finansiella-rapporter/>

This information constitutes such information that ChromoGenics AB is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted by the above-mentioned contact persons for publication on March 8, 2024 at 8:30 AM CET.

ABOUT CHROMOGENICS

ChromoGenics is a proptech company producing smart dynamic glass that improves indoor environments and well-being and lowers buildings' energy consumption, operating expenses and impact on the climate. The company's product ConverLight® Dynamic is based on a unique patented technology from the Ångström Laboratory in Uppsala, where electrochromic coatings are sputtered onto plastic film. The result is a dynamic film that can be laminated between glass layers, which provides buildings with good solar protection and lowered environmental impact from production, transport and use. The dynamic film is easy to transport and can be applied by local partners in the glass industry, which means it is possible to avoid long-distance shipping of bulky glass. All of ChromoGenics' products strive to follow the key words *environment* and *health*. This means a focus on environmentally friendly material, lower energy consumption, increased access to daylight and views and improved indoor comfort.

The company's production facilities in Uppsala have been financed in part by a conditional loan from the Swedish Energy Agency. ChromoGenics' share (CHRO) is listed on Nasdaq First North Growth Market, and Vator Securities is the Certified Adviser.

info@chromogenics.com

Certified Adviser: Vator Securities

Financial Statements:

Income Statement

Balance Sheet

Statement of Cash Flows

Statement of Changes in Equity

Notes

Income Statement per Individual Quarter

Profit & Loss Statement	2023	2022	2023	2022
KSEK	Okt-Dec	Okt-Dec	Jan-Dec	Jan-Dec
Net sales	2 493	3 471	13 645	18 260
Change in inventories of products in progress	-890	-516	1 291	1 129
Capitalized own work	200	2 340	2 057	6 183
Other operating income	1 667	1 435	2 620	3 775
Operating income	3 469	6 729	19 612	29 347
Raw materials and consumables used	-1 444	-2 928	-9 915	-22 276
Other external costs	-9 059	-7 154	-29 614	-31 855
Personnel costs	-6 204	-7 077	-23 623	-26 684
Depreciation of intangible assets and tangible assets	-1 980	-898	-4 475	-3 370
Other operating expenses	-269	-236	-731	-1 087
Operating expenses	-18 957	-18 292	-68 358	-85 272
Operating loss	-15 487	-11 563	-48 746	-55 925
Interest income	106	118	548	604
Interest expenses	-1 219	-996	-4 311	-1 661
Total result of financial items	-1 113	-879	-3 763	-1 057
Loss after financial items	-16 600	-12 442	-52 509	-56 982
Tax on earnings	1	2	3	6
Net income	-16 599	-12 440	-52 506	-56 976

Balance Sheet	2023	2023	2023	2023	2022
KSEK	31-dec	30-sep	30-jun	31-mar	31-dec
ASSETS					
Non-current Assets					
Intangible assets	10 672	11 847	11 875	12 051	12 241
Property, plant and equipment	98 301	101 091	101 738	102 259	102 784
Financial assets	432	442	430	428	427
Total non-current assets	109 405	113 380	114 043	114 738	115 452
Current Assets					
Inventories and work in progress	10 174	12 144	12 015	10 639	10 198
Trade receivables	2 613	2 151	3 545	4 918	4 430
Other current receivables ²⁾	9 045	10 732	8 350	7 112	7 295
Cash and cash equivalents	7 926	20 320	5 651	16 659	24 126
Total current assets	29 758	45 348	29 561	39 328	46 049
TOTAL ASSETS	139 163	158 728	143 604	154 066	161 501
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	35 062	35 011	34 335	34 335	28 561
Fund, development expenses	9 901	9 701	9 298	8 724	8 130
<i>Non-restricted equity</i>					
Share premium reserve	713 211	713 247	694 730	694 783	694 939
Accumulated profit/loss	-662 913	-662 713	-662 310	-661 736	-604 166
Operating income for the period	-52 506	-35 907	-24 948	-13 090	-56 976
Total equity	42 755	59 339	51 105	63 016	70 488
LIABILITIES					
Non-current liabilities					
Non-current interest-bearing liabilities 1)	66 621	67 468	66 827	64 637	63 783
EU contribution	2 425	2 425	2 400	2 381	2 375
Total non-current liabilities	69 046	69 893	69 227	67 018	66 159
Current liabilities					
Current interest-bearing liabilities	199	222	300	300	300
Trade payables	2 770	3 770	5 629	8 551	8 612
Other current liabilities ²⁾	24 393	25 504	17 344	15 181	15 942
Total current liabilities	27 362	29 496	23 273	24 032	24 854
TOTAL EQUITY AND LIABILITIES	139 163	158 728	143 604	154 066	161 501

¹⁾ The company have an ongoing insurance claim linked to Gullhaug Torg 5 in Oslo, Norway. The company estimate the cost to replace the damaged glass to be between SEK 3,5 to 4 million. The company's assessment is that the costs of replacing the damaged glass will be covered by the company's or by insurance of other party involved in the matter. The company assess it as a contingent liability and has not reserved for either costs, or income from insurance, as per December, 2023 as the company is still awaiting the decision by the insurance company.

²⁾ Where of 65 285 KSEK refers to soft loans from the Swedish Energy Agency.

Statement of Cash Flows				
KSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
OPERATING ACTIVITIES				
Operating profit/loss before financial items	-15 487	-11 563	-48 746	-55 925
Financial income and expenses	-453	-872	-160	-1 051
<i>Adjustments for non-cash items:</i>				
Capital losses fixed assets sold	0	132		132
Non-cash items	1 071	898	3 565	3 370
Cash flow from operating activities before changes in working capital	-14 869	-11 405	-45 341	-53 474
<i>Cash flow from changes in working capital</i>				
Increase(-)/decrease(+) inventories	1 971	-1 970	24	813
Increase(-)/decrease(+) accounts receivable	-462	3 514	1 817	4 427
Increase(-)/decrease(+) current receivables	1 651	984	-1 750	1 683
Increase(+)/decrease(-) accounts payable	-999	1 730	-5 842	840
Increase(+)/decrease(-) (current) liabilities	250	-1 287	10 255	-13 608
Cash flow from changes in working capital	2 411	2 971	4 504	-5 844
Cash flow from operating activities	-12 458	-8 434	-40 837	-59 318
INVESTING ACTIVITIES				
Acquisition of intangible fixed assets	0	-1 006	0	-3 204
Acquisition of property, plant and equipment	0	-224	-136	-1 727
Sale of property, plant and equipment	0	39	0	39
Sale of non-current receivable	14	0	0	0
Cash flow from investing activities	14	-1 191	-136	-4 892
FINANCING ACTIVITIES				
New share issue	50	25 279	24 773	69 763
Borrowings	0		0	
Amortization of lease liability	0	-74	0	-277
Cash flow from financing activities	50	25 206	24 773	69 486
CASH FLOW FOR THE PERIOD	-12 394	15 579	-16 200	5 275
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	20 320	8 547	24 126	18 851
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7 926	24 126	7 926	24 126

Statement of Changes in Equity

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2022	3 408	5 616	650 330	-601 652	57 701
New share issues	3 646		50 833		54 479
New share issue fees			-9 994		-9 994
Fund for development expenses		1 508		-1 508	0
Operating income for the period				-44 536	-44 536
Equity 31 Dec 2022	7 054	7 124	691 169	-647 696	57 650

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2023	28 561	8 130	694 939	-661 142	70 488
New share issues	6 501		23 371		29 872
New share issue fees			-5 099		-5 099
Fund for development expenses		1 771		-1 771	0
Operating income for the period				-52 506	-52 506
Equity 31 Dec 2023	35 062	9 900	713 212	-715 419	42 755

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 year-end report has been prepared in accordance with the accounting and valuation principles that were applied in the company's most recent annual report.

Income Statement per Individual Quarter	2023				2022	
	Iso. Q1	Iso Q 2	Iso Q 3	Iso. Q4	Jan-Dec	Jan-Dec
KSEK						
Net sales	5 800	3 741	1 611	2 493	13 645	18 260
Change in inventory	190	1 829	161	-890	1 291	1 341
Work performed by the company for its own use and capitaliz	595	645	618	200	2 057	6 183
Other operating income	163	104	686	1 667	2 620	3 775
Operating income	6 748	6 319	3 076	3 469	19 612	29 559
Raw materials and consumables	-4 530	-2 890	-1 051	-1 444	-9 915	-22 487
Other external costs	-7 256	-6 832	-6 467	-9 059	-29 614	-31 855
Personnel costs	-6 190	-6 503	-4 725	-6 204	-23 623	-26 684
Amortization intangible fixed assets and depreciation property, plant and equipment	-894	-890	-710	-1 980	-4 475	-3 370
Other operating expenses	-89	-291	-82	-269	-731	-1 087
Total operating expenses	-18 960	-17 406	-13 035	-18 957	-68 358	-85 483
Operating income	-12 212	-11 087	-9 959	-15 487	-48 746	-55 925
Interest income	74	13	245	106	548	604
Interest expenses	-952	-784	-1 243	-1 219	-4 311	-1 654
Total operating income from financial items	-878	-771	-998	-1 113	-3 763	-1 050
Operating income after financial items	-13 090	-11 858	-10 957	-16 600	-52 509	-56 975
Tax	0	0	-2	1	3	0
Operating income for the period	-13 090	-11 858	-10 959	-16 599	-52 506	-56 975
Note: Earnings per share have been adjusted historically to reflect the reverse share split in September 2023						
Average number of shares before dilution (without reverse split/ consolidation of shares 100:1)	142 805 135	170 724 035	330 954 084	412 126 240	265 073 258	35 871 189
Average number of shares after dilution (without reverse split/consolidation of shares 100:1)	142 805 135	170 724 035	330 954 084	412 126 240	265 073 258	35 871 189
Outstanding shares at the end of the reporting period without consolidation	142 805 135	171 675 816	411 898 778	412 496 678	412 496 678	142 805 135
Average number of shares before dilution with reverse split/consolidation of shares 100:1	1 428 051	1 707 240	3 309 541	4 121 262	2 650 732	358 711
Average number of shares after dilution with reverse split/consolidation of shares 100:1	1 428 051	1 707 240	3 309 541	4 121 262	2 650 732	358 711
Outstanding shares at the end of the reporting period with consolidation	1 428 051	1 716 758	4 118 988	4 124 966	4 124 966	1 428 051
Outstanding warrants at the end of the reporting period	0	0	240 222 962	134 630 451	134 630 451	82 669 022
Earnings per share, basic, SEK	-9,2	-6,9	-3,3	-4,0	-19,8	-158,8
Earnings per share, diluted, SEK	-9,2	-6,9	-3,3	-4,0	-19,8	-158,8

Events 2022–2023

- 1) In March 2023, 48,017 warrants of series TO 4 were exercised for subscription of 21,127 shares. At the same time, 28,849,554 warrants of series TO 5 were exercised for subscription of an equal number of shares, which brought 28,849,554 new shares to the company and increased the number of shares to 171,675,816. At the end of March 2023, the shares from warrants of series TO 4 and TO 5 were interim shares that were included in the total number of outstanding shares at the end of the reporting period.
- 2) In March 2022, a rights issue was carried out that brought 18,145,892 new shares to the company, increasing the number of shares to 35,183,487. In May 2022, one warrant holder of series TO3 exercised their options for shares, which brought 3,098 shares to the company. In addition, an issue guarantor chose to receive payment in the form of shares instead of cash, which brought an additional 80,000 shares to the company and increased the number of shares to 35,266,585. In Q4 2022, a rights issue was carried out that brought 105,800,060 shares to the company. In addition, a directed share issue was conducted for guarantors who chose to receive payment in additional units instead of cash, which increased the number of shares by an additional 1,738,490 for a total of 142,805,135 shares.
- 3) The rights issue in Q1 2022 was carried out in the form of units and resulted in 4,536,473 units consisting of 18,145,892 shares and 18,145,892 warrants (TO4). Four warrants entitled the holder to subscribe to one new share. The rights issue in Q4 2022 was carried out in the form of units and resulted in 21,507,710 units consisting of 107,538,550 shares and 64,523,130 warrants (TO5). One warrant entitled the holder to subscribe to one new share. The subscription period for TO 4 and TO 5 was March 13–27, 2023, and increased the number of shares by 28,870,681 to 171,675,816. There were 0 outstanding warrants including TO4 and TO5 as per March 31, 2023.
- 4) At the end of March 2023, the shares from warrants of series TO 4 and TO 5 were interim shares that were included in the total number of outstanding shares at the end of the reporting period.
- 5) In the rights issue completed on July 12, 2023, a total of 167,157,849 units were subscribed with the support of unit rights. New share issue registered on August 1, 2023 and resulted in 240,222,962 warrants (TO 6).
- 6) In September 2023, the decided reverse share split of the company's shares was completed, whereby one hundred (100) existing shares were consolidated into one (1) share (consolidation 1:100)
- 7) On November 27, 2023, the warrant TO 6 was registered and turned into normal shares. With this registration, the number of shares increased by 5,979 (with exercise of 597,900 warrants) for a total of 4,124,966



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