

ChromoGenics

Interim Report January–June 2024

CIN: 556630-1809



This is 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 conditional loans from the Swedish Energy Agency.

ChromoGenics' share (CHRO) is listed on Nasdaq First North Growth Market, and Vator Securities is the Certified Adviser.

For more information: www.chromogenics.com

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Key events during Q2 2024

During the first half of 2024, ChromoGenics continued its developmental journey with a strong focus on the customer and quality, continued to take measures to lower costs, and received an order for the manufacture of ConverLight® Dynamic from one of the company's new European partners for a non-European customer.

- ChromoGenics announced that it held an Extraordinary General Meeting, at which the Meeting resolved to approve the Board's decision according to the above on directed issues of shares and therewith related proposals. The Extraordinary General Meeting also resolved in accordance with the proposal of the Board of Directors to amend the share capital limits in the company's Articles of Association and reduce the share capital in order to decrease the quota value of the shares. *(April 5, 2024)*
- ChromoGenics receives first order for North America: Brings dynamic glass to luxury villa project in Colorado. As a leading supplier of dynamic glass solutions, ChromoGenics receives its first order for the North American market. The company will supply its innovative ConverLight® dynamic glass to a luxury villa project in Colorado, USA. The villa, which will emphasize sustainability and energy efficiency, will feature windows supplied by ChromoGenics' German partner, ENERsign. *(April 8, 2024)*
- Interim Report January–March 2024 is published *(May 23, 2024)*
- On May 23, 2024, Färna Invest AB announced a public buyout offer to acquire all outstanding shares in ChromoGenics. On the same day, the Board of Directors of ChromoGenics announces that it has decided to recommend to the shareholders of ChromoGenics to accept the buyout offer from Färna Invest AB.
- On May 30, the company receives notification from the Swedish Energy Agency that a decision had been made to convert conditional loans of approximately SEK 47.6 million to grants, but that the accrued unpaid interest of approximately SEK 18 million and an invoiced unpaid amortization payment of approximately SEK 3 million would remain as a debt to the Swedish Energy Agency.
- On June 18, 2024, ChromoGenics publishes its annual report for 2023.
- On June 25, 2024, the company holds its annual general meeting and on the same day publishes a bulletin from the meeting.

Earnings performance in summary

MSEK	2024	2023	2024	2023	2023
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan - Dec
Net sales	1,5	3,7	4,3	9,5	13,6
EBITDA	25,3	-10,2	14,3	-21,5	-43,5
Net income	22,5	-11,9	8,9	-24,9	-52,5
EPS before dilution, SEK	3,7	-0,1	1,7	-0,1	-19,8
Cash and cash equivalents at end of period	4,7	5,7	4,7	5,7	7,9

Events after the end of the reporting period

- On July 1, 2024, Färna Invest AB announces that it has decided to extend the period for the buyout offer to 3:00 PM on July 15, 2024.
- At the end of the extended offer period on July 15, 2024, shareholders of ChromoGenics representing approximately 57.0 percent of all outstanding shares and votes in ChromoGenics had accepted the offer. The shares submitted in the offer, together with the shares Färna Invest AB already owns, correspond to approximately 86.8 percent of the total number of shares and votes in ChromoGenics.

Färna Invest AB announces that it is continuing to pursue the recommended public buyout offer to shareholders of ChromoGenics AB and extending the offer period until 3:00 PM (CEST) on August 16, 2024, to enable a higher acceptance level for the offer. *(July 16, 2024)*

- After the extended deadline for the buyout offer, Färna Invest controls approximately 87.9 percent of the total number of shares and votes in ChromoGenics. *(August 20, 2024)*
- ChromoGenics has received an assignment to supply ConverLight dynamic glass to an innovative office project in the Netherlands. The order is worth approximately SEK 1.6 million and will be delivered during the first quarter of 2025. The building will contain many innovative technological solutions with the ambition of building sustainably with a very attractive indoor environment and create a good return for the property owner. *(August 21, 2024)*



From the new website: converlight.com

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.



ChromoGenics has undergone major changes during the quarter. That Färna Invest is pursuing its offer and at the time of writing owns 86 percent of the company gives us a strong owner who shares our vision of creating a profitable international industrial company based on our unique technology.

During my three years as CEO, we have taken key steps along our journey: launching and quality assuring production and the product, sharply cutting costs in the value chain, enabling quality control from A to Z, and starting to reestablish ConverLight on the market in cooperation with other companies in the glass industry.

The road to profitability will require investments in the organization, commercial activities, and working capital to bridge the deep recession in the building industry. With Färna Invest, we can find long-term financial solutions to realize the company's potential. Even the forgiven loan from the Swedish Energy Agency creates necessary conditions for the company.

Production has functioned well during the quarter, and the direct production costs have continued to decrease thanks to lower scrapping and stable processes. During the quarter, we successfully produced the world-unique curved glass for the new head office of the Swedish National Board of Housing, Building and Planning. Unfortunately, the glass was damaged during transport to the end customer, which was tragic but outside of our control. The transporter has taken full responsibility, and at the time of writing we have manufactured replacement glass that will soon be delivered. During the quarter we also manufactured glass for a major project in Sweden that will be delivered during the fall.

We have made the necessary staff cuts of approximately 30 percent. Despite this major change, the operations have functioned well. The restart of production after the vacation period has also progressed well. I would like to thank in particular all our employees for their excellent work under difficult conditions.

Sales and marketing activity during the quarter was high, but order intake was low, which reflects the continued recession in the building sector. During the quarter we received orders from Germany and the Netherlands as well as a number of smaller orders and test orders.

I would like to thank all of our shareholders who have believed in and supported the company over the years. We are now entering a new phase with a new majority owner. This will create the necessary conditions for realizing the company's potential.

Fredrik Fränding, CEO

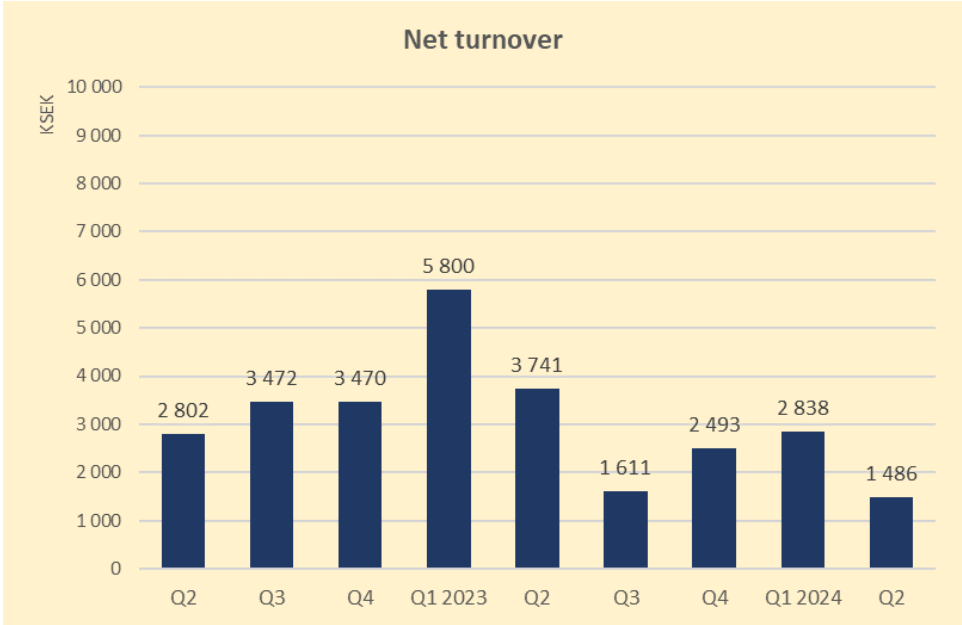
Q2 2024: April-June

Net sales

In Q2 2024, ChromoGenics' net sales amounted to SEK 1.5 (3.7) million, a decrease of SEK 2.2 million compared to the corresponding quarter in 2023. The decrease in net sales in the period is due in part to the completion and invoicing in Q2 2023 of more and larger projects than in the corresponding period this year. Due to the transport damage to the curved glass for the Swedish National Board of Housing, Building and Planning, invoicing in the project of SEK 0.8 million will occur in Q3 2024. An impairment of an older accounts receivable will lower net sales by SEK 500,000. A large project was in production during the period and will be delivered in September/October 2024, which will be invoiced and recognized as income in Q3 2024.

The change in inventory, which reflects the company's processing of raw materials, amounted to SEK -0.3 (1.8) million in the period, and the decrease of approximately SEK 2 million is due primarily to there being significantly more manufacturing in the corresponding period in 2023 than there was this year. However, an increase in the manufacturing of IGUs (insulated glass unit) has been noted, which in brief means increased manufacturing of whole products instead of semi-finished products.

Work performed for the company's own use and capitalized amounts to SEK 0 (0.6) million, and the reduction in revenue is due to the end in September 2023 of an EU project called Switch2Save, which the company had participated in since the start of 2020 and for which there is no equivalent in 2024. The project was a research and development program within the EU that aimed to develop better methods for the production of insulated glass.



Other operating income

The company's total revenue in the period amounts to SEK 45.1 (6.3) million and is due to the decision by the Swedish Energy Agency to convert conditional loans of SEK 45.3 million to grants and that the company sold one of its two smaller research sputters, which contributed SEK 1.6 million in revenue. In total, other operating income in the period amounts to SEK 48.5 (0.2) million.

Order intake

During Q2 2024, ChromoGenics had an order intake of SEK 2.1 (5.7) million. The order sum of SEK 2.1 million consists mainly of the Swedish National Board of Housing, Building and Planning's order of ConverLight Dynamic and also around 20 smaller orders, the majority of which are from foreign customers.



Cost development

During Q2 2024, ChromoGenics also continued to focus on cost efficiency and maintained a restrictive approach to costs in general.

Production continued to function well. During the quarter, the company had one-off costs of approximately SEK 4.2 million attributable to faulty projects from 2019, for which a provision for costs was made in 2021. Now that the projects have received their final deliveries, it has been determined that the costs have been higher than estimated in 2021 due to the abnormally high increase in the cost of building materials since 2021. The company has also had a one-off cost of approximately SEK 700,000 to scrap purchased raw materials that are no longer used in production due to product development. During the quarter, the curved glass for the project for the Swedish National Board of Housing, Building and Planning was manufactured. This glass was damaged during final transport to the customer and scrapped at a cost of approximately SEK 770,000, which was expensed during the quarter. Insurance compensation was paid at the beginning of the third quarter.

Other external costs amount in the second quarter to SEK -7.1 (-6.8) million. The increase in cost is primarily from increased marketing costs of SEK 0.4 million and increased listing costs of SEK 0.3 million but were offset by the company successfully decreasing all consulting costs by SEK 0.6 million.

The insurance matter that has been ongoing for over a year is linked to a previous installation at Gullhaug Torg 5 in Oslo. The insurance company's investigation has been ongoing for a long time, and the matter refers to damages incurred on installed glass that is judged to have been caused by an error at a subcontractor. The company's assessment remains the same as before, that the cost of repairing the damages will be covered by insurance. ChromoGenics considers the matter to be a contingent liability and has not created a provision for either costs or income from insurance. The company's insurance company has paid remuneration during the period. What now remains, in consultation with the company's insurance provider, is to request remuneration for the remaining costs from the subcontractor in question and its insurance company.

During the second quarter, personnel costs amounted to SEK -5.9 (-6.5) million, and the reduction in costs is due primarily to the reduction in the number of employees.

Depreciation on non-current assets amounted to SEK -1.1 (-0.9) million in Q2 2024. The increase of SEK 0.2 million compared to the previous year is due to a changed view on the depreciable life of some production equipment as of Q4 2023, which resulted in an increased cost for depreciation.

Operating profit/loss after depreciation/amortization for the second quarter amounted to SEK 24 (-11.1) million, which is an improvement of SEK 35 million compared to the corresponding period in 2023 and attributable to the revenue generated by the Swedish Energy Agency's decision to convert conditional loans of approximately SEK 47.6 million to grants.

Net financial items for the second quarter were SEK -1.5 (-0.8) million and are primarily related to interest expenses for so-called bridge financing raised during the first quarter due to deficient liquidity. The bridge loan, which cost SEK 0.6 million, could be repaid in May through a loan from majority owner Färna Invest AB of SEK 5 million. The loan is part of the capital adequacy guarantee of up to SEK 30 million pledged by Färna Invest AB. As at June 30, 2024, SEK 5 million of the SEK 30 million has been drawn. Net financial items are also adversely impacted by exchange rate differences of SEK 0.2 million and estimated interest expenses for the so-called COVID-tax that the company applied for and received payment for in September 2023 as part of efforts to improve the liquidity in the company.

Profit/loss for the second quarter of 2024 amounted to SEK 22.5 (-11.9) million, an improvement of SEK 34.4 million compared to the corresponding period in 2023 and is basically due to the conditional loans of approximately SEK 47.6 million that the company had with the Swedish Energy Agency and that the agency decided to convert to grants.

Cash flow in Q2

Cash flow from operating activities before changes in working capital amounted to SEK -19.1 (-10.5) million, and the converted conditional loans of SEK 43.5 million from the Swedish Energy Agency are included as a deduction item under operating activities.

Cash flow from operating activities including a change in working capital amounted to SEK -16.2 (-15.1) million for the second quarter of the year, of which the cash flow from the change in working capital amounted to SEK -2.9 (-4.6) million. The change in working capital is mainly attributable to

reduced accounts receivables of SEK 2.9 million, a decrease in inventory of SEK 2.6 million, and reduced other current receivables of SEK 2.3 million.

Net cash flow from investing activities amounted to SEK 1.9 (-0.2) million in Q2 2024. Investments in intangible assets amounted to SEK 0.1 (-0.2) million and are related to the development of new products. The acquisition of property, plant and equipment amounted to SEK 0.2 (0.0) million.

Net cash flow from financing activities amounted to SEK 16.4 (4.3) million in Q2 2024.

The positive cash flow from financing activities is primarily attributable to the share issue that was completed in the spring of 2024.

Closing cash for the period amounted to SEK 4.7 million compared to SEK 5.7 million for the corresponding period in 2023.

Financial position

Cash and bank balances amounted to SEK 4.7 million on June 30, 2024, compared to SEK 5.7 million on June 30, 2023. Liquidity has been strained during the period, and as previously mentioned two bridge loans were raised for a total of SEK 7 million.

During the second quarter, the company received a capital adequacy guarantee of SEK 30 million from the majority owner, Färna Invest AB. The company makes the assessment that it will need more capital contributions in the coming 12-month period.

Equity at the end of the period amounted to SEK 67.8 (51) million, of which restricted equity was SEK 46.3 (43.6) million and non-restricted equity was SEK 21.4 (7) million.

ChromoGenics was granted in 2022 an extended deferment until October 1, 2025, for its repayment obligation to the Swedish Energy Agency for the conditional loans. 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 included a condition that the Swedish Energy Agency would reassess the decision, and on May 29, 2024, the Agency announced that ChromoGenics and a number of other borrowers had been granted a conversion of the loans to grants. For ChromoGenics, this entailed that SEK 43.5 million was derecognized as a liability and instead generated unexpected revenue of a corresponding amount. Long-term liabilities amounted to SEK 27.4 (69.2) million as at June 30, 2024.

Current liabilities amounted on the balance sheet date to SEK 33.8 (23) million, and the majority of these consist of a payment from the Swedish Tax Agency in September 2023 for the so-called COVID tax (VAT) that amounts to approximately SEK 12 million excluding interest.

Investments

Investments during Q2 2024 amounted to SEK 0.1 (0.2) million and are exclusively attributable to property, plant and equipment related to the development of new products. The acquisition of intangible assets amounted to SEK 0 (0) million.

Employees

The average number of employees in Q2 2024 was 29 (33). The average, including agency personnel and consultants, was 33 (36), which is three fewer than in the corresponding period in 2023. The company had 28 employees on June 30, 2024, compared to 31 in the corresponding period in 2023.

Share capital

The Board of Directors of ChromoGenics decided on March 5, 2024, on a directed new issue of 2,505,885 shares, conditional on subsequent approval by the Extraordinary General Meeting on April 5, 2024. The Extraordinary General Meeting on April 5, 2024, resolved in accordance with the proposal by the Board of Directors to approve the Board's decision to conduct a directed issue. In total, the company raised SEK 13,436,350.29 after issue expenses, which amounted to SEK 201,554.

The share capital in ChromoGenics after the rights issue amounts to SEK 36,469,680.50.

H1 2024: January–June

Net sales during the period amounted to SEK 4.3 million compared to SEK 9.5 million in the corresponding period the previous year. There are fewer larger and completed projects in 2024 compared to in 2023, which results in a decrease in sales. Some of the larger projects that were delivered in 2023 and have no equivalent in 2024 include the Franska Skolan project in Copenhagen, the Wilhelmsrogården nursing home, and Järva Cemetery. Sales to the EU decreased by SEK 3.8 million compared to 2023, and sales in Sweden decreased by SEK 1.6 million, which explains the deviation.

The change in inventory amounts to SEK -1.7 million and is attributable primarily to the fewer number of projects, which resulted in a decrease in sales during H1 2024 compared to H1 2023.

Other operating income amounted to SEK 44 million in H1 2024 compared to SEK 267,000 in the corresponding period in 2023. The primary explanation behind the increase is the Swedish Energy Agency's decision on May 29, 2024, to convert SEK 43.5 million in conditional loans to grants. In addition, a smaller sputter was sold for SEK 1.6 million, which resulted in capital gains of approximately SEK 251,000. The sale of the sputter generates a capital contribution of SEK 1.6 million, but the converted loans have no impact on capital and cash flow.

Order intake through June 2024 amounts to SEK 4.3 (4.6) million, and the effect of a sold non-current asset has been removed from the order sum for 2024.

Despite high inflation and a negative exchange rate development, total operating expenses amounted to SEK -39,6 (-38) million in H1, an increase of SEK 1.6 million, and is primarily due to increased costs for raw materials.

Profit/loss for H1 2024 amounts to SEK 22.5 (-24.9) million, an improvement of SEK 34.4 million compared to the corresponding period in 2023. The improvement is primarily due to the extra revenue from the Swedish Energy Agency's decision to convert SEK 43.5 million in loans to grants.

The balance sheet total at the end of the period on June 30, 2024, amounted to SEK 129 (143.6) million, a decrease of SEK 14.6 million over twelve months. As previously mentioned, the company's non-current assets decreased during the period by SEK 8 million compared to one year ago. Current assets decreased by SEK 6.5 million compared to the same period in 2023 primarily due to a decrease in accounts receivable of SEK 3.1 million. Among other current assets, inventory decreased by SEK 2.4 million.

Investments during the first half of the year amounted to SEK 0.1 (0.2) million and are attributable to an upgrade in property, plant and equipment.

The average number of employees during the first half of the year was 30 (32), a decrease of 2. The number of employees including agency personnel and consultants amounted to 32 (35), a decrease of 3.

Equity at the end of the period amounted to SEK 67.8 (51) million, of which restricted equity was SEK 46.3 (43.6) million and non-restricted equity was SEK 21.4 (7) million.

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 June 28, 2024, are presented below:

FARNA INVEST AB	1 975 786	1 975 786	29,80%
DIFF FÖR AVA I ÄGARES STÄLLE	1 289 803	1 289 803	19,45%
PARMENT FÖRVALTNING AB	1 058 613	1 058 613	15,96%
INVESTMENT AKTIEBOLAGET BALTICUM	490 724	490 724	7,40%
TAMT AB	209 000	209 000	3,15%
BOZZAO, STEFAN MARCUS	169 610	169 610	2,56%
NORDNET PENSIONSFORESAKRING AB	62 950	62 950	0,95%
EK, JOHAN	50 844	50 844	0,77%
AVANZA PENSION	46 371	46 371	0,70%
FREDRIKSSON, TOMMY	42 000	42 000	0,63%
Other	1 235 139	1 235 139	18,63%
	6 630 840	6 630 840	100,00%

Number of shareholders as at 6/28/2024 5,896

Source: Euroclear Sweden AB

Row 2 above refers to shareholders who accepted the buyout offer but whose shares have not yet been transferred to the new owner.

Significant risks and uncertainty factors

ChromoGenics' business and operational risks, industry risks, legal risks and regulatory risks are described below in no particular order and with no claim of the list being comprehensive and include risk factors and key relationships that are considered to be of significance for the company's future development. For more information, see *2023 Annual Report*.

The company is exposed to a number of financial risks: liquidity risk, credit risk and currency risk.

Liquidity risk, including financing and capital needs

ChromoGenics has historically generated a loss, and the company's cash flows from its operating activities have been insufficient for covering the company's total annual capital needs for product and operational development. Due to this, it has not been possible to run the operations in an optimal manner and in accordance with ChromoGenics' adopted goals and strategies. In 2023, the company operated at a smaller loss than in previous years, but it still reported a loss, which together with a weak market in the construction and real estate industry has meant that it has not been possible to rule out ChromoGenics' need for additional capital contributions. It has been judged to continue to be necessary to raise capital to bring the company to a point where positive cash flows from the operating activities can finance the company's working costs.

Access to and conditions for such additional capital are impacted by a number of factors, including the current state of the economy and the investment climate, the current credit market, and the company's creditworthiness and market position.

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. 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 ultimately will lead to the winding down of the company.

The raising of financing through share issues or share-related financial instruments can lead to dilution effects for the company's existing shareholders who are unable or do not have the possibility to participate. Loan financing can include conditions that place restrictions on how the capital is used, which could limit the company's flexibility. There has been and still is a risk that the company will not successfully raise the capital required to meet future needs or that such financing will only be achieved at conditions that are not favorable to the company. In the event ChromoGenics would not be able to raise sufficient financing, the company would need to limit, or ultimately terminate, planned marketing, development and investment activities until sufficient capital has been secured.

ChromoGenics makes the assessment that the presence of this risk potentially has a strong adverse impact on the company's operations, performance and financial position.

During the spring of 2024, the company experienced limited liquidity but during the period received a capital adequacy guarantee of SEK 30 million from its majority shareholder, Färna Invest AB, on

June 30, 2024. As at June 30, the company had drawn SEK 5 million of the SEK 30 million. The Board of Directors also makes the assessment that even with any additional calls against the guarantee the company will need additional capital contributions in the coming year.

Credit risks

There is a risk that the company may suffer credit losses. This could occur following the improper assessment of a counterparty, a counterparty's changed circumstances or impaired financial situation, etc. This could have a negative effect on the company's financial position.

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 has a small organization relative to the industry's large industrial actors, measured in both net sales and number of employees. The company's success is heavily dependent on the specific skills and experience of senior management and key personnel. The ability to retain and recruit qualified personnel is thus of considerable significance for ensuring the long-term skills level at ChromoGenics. In order to better adapt the operations to the improvements achieved in the production process and at the same time benefit from cost advantages, in the spring of 2024 ChromoGenics conducted a reorganization that resulted in redundancy among personnel. In collaboration with affected unions, six employees were determined to be redundant.

Conditional loans from the Swedish Energy Agency

On May 30, 2024, the company received notification that the Swedish Energy Agency had decided to convert the loans the company had had for several years to grants, which entails that only accrued interest of approximately SEK 18.4 million and approximately SEK 3 million in an unpaid amortization payment that had already been invoiced remain from the debt as of May 2024.

However, the write-down of the debt will not generate a positive cash flow for ChromoGenics or strengthen the company's earning potential since the previously mentioned financial risks remain.

Auditor's review

This year-end report has not been reviewed by the company's auditor.

Financial calendar

Financial Calendar 2024		
Report / Event	Date	Hour
Interim report January - June 2024	2024-08-30	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, Friday, August 30, 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

Anne-Marie Gullman, CFO & Head of Investor Relations: +46 76 136 01 15

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 Friday, August 30, 2024, at 8:30 AM CET.

Financial Statements

Income Statement

Balance Sheet

Statement of Cash Flows

Statement of Changes in Equity

Income Statement per Individual Quarter

Notes

Profit and Loss Statement

Profit & Loss Statement KSEK	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Net sales	1 486	3 741	4 324	9 541	13 645
Change in inventories of products in progress	-235	1 829	235	2 019	1 291
Capitalized own work	0	645	0	1 239	2 057
Other operating income	43 857	104	43 966	267	2 620
Operating income	45 108	6 319	48 526	13 066	19 612
Raw materials and consumables used	-6 794	-2 890	-9 042	-7 420	-9 915
Other external costs	-7 132	-6 832	-13 094	-14 088	-29 614
Personnel costs	-5 875	-6 503	-12 105	-12 694	-23 623
Depreciation of intangible assets and tangible assets	-1 105	-890	-2 218	-1 784	-4 475
Other operating expenses	-139	-291	-190	-380	-731
Operating expenses	-21 044	-17 406	-36 650	-36 366	-68 358
Operating loss	24 064	-11 087	11 876	-23 300	-48 746
Interest income	1	13	2	23	548
Interest expenses	-1 548	-784	-2 970	-1 671	-4 311
Total result of financial items	-1 546	-771	-2 968	-1 648	-3 763
Loss after financial items	22 517	-11 858	8 908	-24 948	-52 509
Tax on earnings	0	0	0	0	3
Net income	22 517	-11 858	8 908	-24 948	-52 506

Balance Sheet

Balance Sheet KSEK	2024 30-jun	2023 30-jun	2023 31-dec
ASSETS			
Fixed Assets			
Intangible assets	9 895	11 875	10 672
Property, plant and equipment	95 629	101 738	98 301
Financial assets	432	430	432
Total Fixed Assets	105 956	114 043	109 405
Current Assets			
Inventories and work in progress	9 585	12 015	10 174
Trade receivables	425	3 545	2 613
Other current receivables ²⁾	8 308	8 350	9 045
Cash and cash equivalents	4 728	5 651	7 926
Total current assets	23 045	29 561	29 758
TOTAL ASSETS	129 001	143 604	139 163
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	36 470	34 335	35 062
Fund, development expenses	9 895	9 298	9 901
<i>Non-restricted equity</i>			
Share premium reserve	727 942	694 730	713 211
Accumulated profit/loss	-715 413	-662 310	-662 913
Operating income for the period	8 908	-24 948	-52 506
Total equity	67 802	51 105	42 755
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities ¹⁾	24 940	66 827	66 621
EU contribution	2 425	2 400	2 425
Total non-current liabilities	27 365	69 227	69 046
Current liabilities			
Current interest-bearing liabilities	0	300	199
Trade payables	3 405	5 629	2 770
Other current liabilities ²⁾	30 430	17 344	24 393
Total current liabilities	33 835	23 273	27 362
TOTAL EQUITY AND LIABILITIES	129 001	143 604	139 163

¹⁾ Of which SEK 65,285 thousand refers to conditional loans, including accrued interest, that the company has received from the Swedish Energy Agency. On May 30, 2024, the company received notification that it and several other companies had been granted a concession to convert the majority of its conditional loans from the Swedish Energy Agency to grants. This conversion affects SEK 43.5 million of the company's total debt, leaving an outstanding amount of SEK 23.6 million, which consists of unpaid accrued interest of SEK 20.3 million and an invoiced unpaid amortization payment of SEK 3.3 million.

²⁾The company has an ongoing insurance matter. The current assessment is that the company will be able to cover incurred damages through the company's insurance or the insurance of the other party in the matter. The scope of the damages is estimated to be approximately SEK 4 million to replace the incurred damages. In the event insurance does not cover the incurred damages, the damages will be charged to the company's profit/loss. No provisions have been booked for costs and any potential income from the insurance because the company is waiting for the decision from the insurance company.

Statement of cash flow

Cash Flow Statement					
KSEK	2024	2023	2024	2023	2023
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
OPERATING ACTIVITIES					
Profit/loss before financial items	24 064	-11 087	11 876	-23 299	-48 746
Financial income and expenses	-656	-304	-822	-1 649	-160
<i>Adjustments for non-cash items:</i>		0		0	3 565
Loan converted to subsidy	-43 521	0	-43 521	0	0
Capital loss on sold fixed assets	0	0	0	0	0
Capital gain on sold fixed assets	-99	0	-251	0	0
Depreciation/amortization and impairment	1 105	890	2 218	1 784	0
Cash flow from operating activities before changes in working capital	-19 107	-10 501	-30 500	-23 164	-45 341
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	1 309	-1 376	589	-1 817	24
Increase(-)/decrease(+) trade receivables	4 335	1 373	2 189	885	1 817
Increase(-)/decrease(+) current receivables	1 107	-1 238	737	-1 055	-1 750
Increase(+)/decrease(-) trade payables	-1 456	-2 922	861	-2 983	-5 842
Increase(+)/decrease(-) current liabilities	-2 374	-486	-1 904	1 414	10 255
Cash flow from changes in working capital	2 921	-4 649	2 472	-3 556	4 504
Cash flow from operating activities	-16 186	-15 150	-28 028	-26 720	-40 837
INVESTING ACTIVITIES					
Acquisition of intangible assets	79	-193	0	-372	0
Acquisition of property, plant and equipment	205	0	142	0	-136
Sale of property, plant and equipment	1 624	0	1 624	0	0
Acquisition of longterm receivables	0	0	0	0	0
Cash flow from investing activities	1 908	-193	1 766	-372	-136
FINANCING ACTIVITIES					
New share issue	16 138	0	16 138	5 618	24 773
Raising of a loan	6 926	4 335	13 611	3 000	0
Amortisation	-6 685	0	-6 685	0	0
Cash flow from financing activities	16 379	4 335	23 064	8 618	24 773
CASH FLOW FOR THE PERIOD	2 101	-11 008	-3 198	-18 474	-16 200
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	2 627	16 659	7 926	24 126	24 126
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4 728	5 651	4 728	5 651	7 926

Statement of Changes in Equity

KSEK	Share capital	Development expenditure reserve	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1/1/2023	28 561	8 130	694 939	-661 142	70 488
New share issues	5 774				5 774
Issue costs			-210		-210
Development expenditure reserve		1 168		-1 168	0
Operating income for the period				-24 948	-24 948
Equity 6/30/2023	34 335	9 297	694 730	-687 258	51 104

KSEK	Share capital	Development expenditure reserve	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1/1/2024	35 062	9 901	713 212	-662 913	95 262
New share issues	1 408		14 730		16 138
Issue costs					0
Development expenditure reserve		-6		6	0
Operating income for the period				8 908	8 908
Equity 6/30/2024	36 470	9 895	727 943	-653 999	120 308

Income Statement per Individual Quarter

Income Statement per Individual Quarter KSEK	2023		2024		2024	2023	2023
	Iso. Kv.1	Iso Kv. 2	Iso. Kv.1	Iso Kv. 2	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	5 800	3 741	2 838	1 486	4 324	9 541	13 645
Change in inventory	190	1 829	470	-235	235	2 019	1 291
Work performed by the company for its own use and capitalized	595	645	0	0	0	1 240	2 057
Other operating income	163	104	109	43 857	43 966	267	2 620
Operating income	6 748	6 319	3 417	45 108	48 526	13 067	19 612
Raw materials and consumables	-4 530	-2 890	-2 248	-6 794	-9 042	-7 420	-9 915
Other external costs	-7 256	-6 832	-5 963	-7 132	-13 094	-14 088	-29 614
Personnel costs	-6 190	-6 503	-6 230	-5 875	-12 105	-12 693	-23 623
Amortization intangible fixed assets and depreciation property, plant and equipment	-894	-890	-1 113	-1 105	-2 218	-1 784	-4 475
Other operating expenses	-89	-291	-51	-139	-190	-380	-731
Total operating expenses	-18 960	-17 406	-15 605	-21 044	-36 650	-36 366	-68 358
Operating income	-12 212	-11 087	-12 188	24 064	11 876	-23 299	-48 746
Interest income	74	13	5	1	2	90	548
Interest expenses	-952	-784	-1 426	-1 548	-2 970	-1 736	-4 311
Total operating income from financial items	-878	-771	-1 421	-1 546	-2 968	-1 646	-3 763
Operating income after financial items	-13 090	-11 858	-13 609	22 517	8 908	-24 945	-52 509
Tax	0	0	0	0	0	0	3
Operating income for the period	-13 090	-11 858	-13 609	22 517	8 908	-24 945	-52 506
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	412 496 678	619 025 662	619 025 662	156 841 709	265 073 258
Average number of shares after dilution (without reverse split/consolidation of shares 100:1)	142 805 135	170 724 035	412 496 678	619 025 662	619 025 662	156 841 709	265 073 258
Outstanding shares at the end of the reporting period without consolidation	142 805 135	171 675 816	412 496 678	663 085 178	663 085 178	171 675 816	412 496 678
Average number of shares before dilution with reverse split/consolidation of shares 100:1	1 428 051	1 707 240	4 124 966	6 190 256	5 163 316	1 568 417	2 650 732
Average number of shares after dilution with reverse split/consolidation of shares 100:1	1 428 051	1 707 240	4 124 966	6 190 256	5 163 316	1 568 417	2 650 732
Outstanding shares at the end of the reporting period with consolidation	1 428 051	1 716 758	4 124 966	6 630 851	6 630 851	1 716 758	4 124 966
Outstanding warrants at the end of the reporting period	0	0	0	0	0	0	133 167 077
Earnings per share, basic, SEK	-9,2	-6,9	-3,3	3,7	1,7	-15,9	-19,8
Earnings per share, diluted, SEK	-9,2	-6,9	-3,3	3,7	1,7	-15,9	-19,8

Events 2022–2024

- 1) In March 2023, 48,017 warrants of series TO 4 were exercised for the 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 and 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
- 8) On April 17, 2024, the Swedish Companies Registration Office has registered an increase in the share capital from a directed new issue of 2,505,885 shares and a decrease in share capital of SEK 12,374,904. After registration on April 17, the number of shares amounts to 6,630,851.

Notes to the Interim Report

Note 1 Accounting and Measurement 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 period-end report has been prepared in accordance with the accounting and measurement principles that were applied in the company's most recent annual report.

The amounts in the notes are stated in TSEK unless otherwise specified.

The most important accounting and measurement principles applied to the preparation of the annual report are summarized below. The company's accounting principles have not changed compared to the previous year, with the exception of the following:

- **Leasing:** the company previously reported its finance leases in accordance with the rules for finance leases, where an asset and liability are reported in the balance sheet. As of 2023, all leases, regardless of whether they are finance or operating leases, are reported as operating leases. The comparative figures have not been restated.

Other operating income

Other operating income refers to income from activities outside of the company's core operations, for example public subsidies, insurance compensation, and exchange rate gains in the business.

Definitions of key performance indicators

KPI	Definition
Net sales	<i>Income for sold goods and services attributable to the core operations during the period in question</i>
EBITDA	<i>Operating profit/loss before depreciation/amortization</i>
Operating income	<i>Profit/loss before financial items and tax</i>
Cash and cash equivalents	<i>Cash and bank balances</i>
Cash flow from operating activities	<i>Cash flow before cash flow from investing and financing activities</i>
Cash flow for the period	<i>Change during the period of cash and cash equivalents excluding the impact of unrealized exchange rate gains/losses</i>
Equity per share	<i>Equity divided by the number of shares at the end of the period</i>
Earnings per share	<i>Profit/loss for the period divided by the average number of shares and warrants* at the end of the period. * Assuming that the warrant's subscription price is lower than the share's current price</i>
Adjusted equity	<i>The same as Equity 2023</i>
Equity/assets ratio	<i>Equity as a percentage of the balance sheet total</i>
Balance sheet total	<i>Total assets</i>
Net debt ratio	<i>Interest-bearing net debt divided by equity</i>
Average number of employees	<i>The average number of employees is calculated as the sum of time worked during the period divided by the normal working time for the period.</i>

Definitions and glossary

BREEAM – Building Research Establishment Environmental Assessment Method, BREEAM, is an established and international environmental certification system for comparisons of buildings' environmental performance. The system is used primarily for commercial buildings. Environmental performance is assessed in various areas with minimum requirements for project management, the building's energy use, indoor climate with ventilation and lighting, water management, waste management and land use and impact on the local environment.

ConverLight® Dynamic is an electrochromic glass technology that enables the control and regulation of light and solar energy transmission in laminated glass. Through an electric voltage field, the laminated window glass can shift tone from light to dark, thus changing the light transmission of the glass, i.e., the percentage of light that is transmitted through the glass. A darker tone means reduced light transmission, which results in less light and solar heat being transmitted through the glass without impacting the view.

Electrochromism – A phenomenon in which the color or transparency of a material changes when an electrical voltage is applied.

Electrolyte – A substance containing ions with electrically conductive ability.

EMC standard – Acronym for electromagnetic compatibility. Limits on emissions and immunity as well as various test methods are described in EMC standards in order to ensure that electrical appliances and electrical equipment do not cause interference or be disturbed by other appliances or equipment.

LEED – Leadership in Energy and Environmental Design (LEED) is an established and international environmental certification system for comparisons of buildings' environmental performance. The system is used for all types of buildings.

Light transmission – The amount of light that passes through the glass, expressed as a percentage.

Nickel vanadium oxide – Oxidized form of the metallic element nickel combined with the element vanadium.

PET – Polyethylene terephthalate (PET) is a polyester film on a roll that typically has a thickness of 0.1 mm.

PDLCD – Polymer Dispersed Liquid Crystal Device (PDLCD) is an alternative technique for changing the light transmission in glass.

R2R process – A production technique in which a rolled plastic film is transferred to another roll in a vacuum chamber, while the exposed film obtains a nano-thin surface coating by sputtering.

Sputtering – A physical method of forcing atoms out of a material to create nano-thin coatings on an object or surface. The method means that a radiation target, the substance that is intended to be deposited as a thin film, is bombarded with fast ions, which causes atoms and molecules to detach from the surface of the radiation target and end up as a film on the substrate intended to be coated.

SPD – Suspended Particle Device (SPD) is an alternative technique for changing the light transmission in glass.

U value – Also called the throughput coefficient and is a property physical parameter that measures how well an entire property component, for example a wall, is insulated. The U-value is equivalent to the inverted thermal conductivity value of a material and is expressed in watts per square meter and kelvin, $W/(m^2 \cdot K)$. The lower the U-value of a window, the more insulated it is. Windows with a U-value of less than 1.2 and 0.9, respectively, are classified as energy windows and energy class A, respectively.

Efficiency for solar cells – A measure of the proportion of incident solar radiation that is converted into electricity.

Tungsten oxide – Oxidized form of the metallic element wolfram.



Showroom Hamburg, Germany

ChromoGenics

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ChromoGenics AB

Ullforsgatan 15, 752 28 Uppsala, Sweden, Tel: +46 (18) 430 04 30

Email: info@chromogenics.com, www.chromogenics.com