ChronTech develops the therapeutic DNA-vaccines ChronVac-C® and ChronVac-B drugs against chronic hepatitis C virus and hepatitis B virus infections, i.e. chronic infections with jaundice causing viruses which can lead to liver cirrhosis and liver cancer. ChronTech has also developed and further develops a patent pending new type of injection needle for a more effective uptake of DNA vaccines. ChronTech also have part ownership in the wound healing therapy ChronSeal®, and in the new platform technology RAS®. The ChronTech share is admitted to trade on First North. Remium Nordic AB is Certified Adviser for ChronTech. For more information, please visit: www.chrontech.se

YEAR-END REPORT 2012 CHRONTECH PHARMA

- Research and development costs amounted to SEK 13.9 (15.2) m
- The loss after tax was SEK -19.7 (-20.2) m
- Earnings per share were SEK -0.11 (-0.17)
- The company had no net sales for the period
- The results from the controlled phase II clinical study of ChronVac-C® in combination with standard-of-care will be obtained and reported during Q1 2013
- The development of ChronTech's IVIN technology show promising results in small and large animals
- The Board is working to solve the company's financing
- Opsonic Therapeutics, a company partly owned and co-founded by ChronTech, has received an initial investment of 750 000 USD for the development of ChronTechs RAS technology

OPERATIONS

Clinical studies

ChronVac-C® - 1st generation - in combination with interferon-based standard-of-care therapy

Data from the patients participating in the finalized phase I/II clinical study with the first generation of ChronVac-C® and who after the vaccination started standard of care treatment showed that hepatitis C virus had disappeared rapidly, which cautiously indicated that it could be advantageous to combine ChronVac-C® with standard of care treatment.

Based on these encouraging results ChronTech has started a follow up phase II clinical study on 32 patients where vaccination and standard-of-care treatment are given according to an organized scheme.

In the study a group of patients with chronic infection of hepatitis C-virus genotype 1 receives two vaccinations with ChronVac-C® administered with *in vivo* electroporation and thereafter receives standard-of-care treatment of ribavirin and Interferon. A control group receives standard-of-care alone without prior vaccinations with ChronVac-C®. The study is performed at Karolinska University Hospital in Huddinge, Linköping University Hospital and Norrköping Hospital.

The results from the study will be obtained and reported during Q1 2013.

Cvacc - therapeutic vaccination as a monotherapy or in combination with directly acting antiviral agents in an interferon-free treatment for hepatitis C

In parallel with the ongoing study ChronTech is developing the next generation of a therapeutic vaccine for the treatment of chronic infection with hepatitis C virus Cvacc with a considerably increased activity as compared to ChronVac-C®. The new version shows a strong immune response also in an animal model resembling a chronically infected patient. In view of how fast the treatment of chronic hepatitis C-virus infection is changing, ChronTech will develop Cvacc in two parallel clinical schemes, one as monotherapy and one as a part of a combination with directly acting antiviral drugs in an interferon-free therapy. This is a part of collaborative project to improve on HCV vaccines with Karolinska Institutet, University of Gothenburg, and Vecura, which is funded by Vinnova by up to SEK 4.5 m. The project started in November 2010 and lasts for three years. All IP related to Cvacc belongs to ChronTech. The therapeutic vaccine candidate of this improved ChronVac-C® has been finalized during the first quarter of this year and production according to GMP and subsequent tolerance studies are anticipated to commence during 2013.

IVIN, a new way to administer DNA

To solve the problem with uptake of DNA into cells the researchers at ChronTech have developed a technique, which through a concentrated direction of injection result in a considerable stronger production of the vaccine protein as compared to what is achieved with regular injection needles.

ChronTech has applied for patent for this new injection needle. During the third quarter 2010 industrial development of IVIN started through the consulting firm Team Consulting in England. They have specialized in the development of medical devise products, in particular in delivery systems. Among other things they have earlier on a consulting basis developed auto injectors. The first prototypes of IVIN were delivered during the month of October 2010 and needles and prototypes for controlled injection for preclinical studies were delivered during the second and fourth quarter of 2011. User friendly and improved construction is now being developed. Team Consulting will also deliver an entire production line. During 2013 all preclinical studies of ChronTech's vaccines will be administered with the latest version of IVIN. They will form the basis for the clinical development of ChronTech's Cvacc HCV vaccine and HBV vaccine.

The results from using IVIN in both small and large animals have been positive.

ChronVac-B - Therapeutic Vaccine against Hepatitis B

An estimated 400 million people suffer from chronic infection, and these are exposed to an increased risk of serious liver damage and cancer. Currently approved drugs demand a lifelong treatment for preventing the virus replication not to return. Thus, there is a considerable need for improving treatment of patients with chronic hepatitis B viral infection so that a lasting treatment response can be achieved also after the treatment has been ceased. For this, therapeutic vaccines can play a decisive role since they by activating the patients' immune defense will give the patients control of the infection. Currently, there are only preventative vaccines against hepatitis B on the market. The work on the development of a candidate drug of ChronVac-B has resulted in that a final candidate drug has been selected during the first quarter of 2012. Production according to GMP and subsequent tolerance studies are anticipated to commence during 2013.

Collaboration Agreements

The collaboration agreement with Transgene, a prime-boost vaccination strategy against genotype 1 hepatitis C virus, has been terminated.

Patents

ChronTech's strategy is to secure patent protection in the regions significant to the company, i.e. North America, Europe and Asia. The patent portfolio consists of 76 approved patents and 35 patents pending.

Employees

The company had 6 (3) employees at the end of the period, whereof 5 part-time employed.

Profit/Loss

The company had no net sales for the period.

Operating costs were SEK 4.8 (6.4) m for the fourth quarter 2012 and SEK 19.8 (20.3) m for the full year 2012.

The loss after financial items was SEK -4.8 (-6.3) m for the fourth quarter 2012 and SEK -19.7 (-20.2) m for the full year 2012.

Research and development costs were SEK 3.3 (4.7) m for the fourth quarter 2012, of which external researchers and subcontractors SEK 3.3 (4.7) m. Research and development costs were SEK 13.9 (15.2) m for the full year 2012, of which external researchers and subcontractors were SEK 13.9 (15.2) m.

Investments

Investments in tangible fixed assets

Net investments in equipment amounted to SEK 0.0 (0.9) m during the fourth quarter 2012 and SEK 0.3 (1.0) m for the full year 2012.

Financial Position

The company's liquid assets amounted to SEK 0.1 (15.8) m as of 31 December 2012. Since the short-time financing through a bridge loan discussed by the Board is not yet in place, some of the major suppliers have agreed to postpone the payments due since ChronTechs liquid assets will not cover the current requirements.

As of 31 December 2012, shareholders' equity was SEK -8.1 (11.7) m.

As of 31 December 2012 the company share capital amounts to SEK 5,434,110.66.

As of 31 December 2012 the number of shares was 181,137,022. Each share has a nominal value of SEK 0.03. On September 5th 2012 the shares in ChronTech was placed on the observation segment due to uncertainty regarding the Company's financial situation.

Current liabilities amounted to SEK 10.1 (6.4) m as of 31 December 2012.

The Board is working to solve the short-time financing through a bridge loan. The company has a negative equity as of December 31, 2012. The Board has made a judgment that there are surplus values in the company's projects and therefore considers it to be under no obligation to prepare a balance sheet for liquidation purposes.

Stock option plan

The company has no staff stock option plan.

Authorization to issue new shares, warrants and convertible debentures

The Annual General Meeting on April 16, 2012 resolved to authorize the Board to resolve, at one or more occasions until the next Annual General Meeting, and with or without the shareholders pre-emption rights, to issue new shares, share warrants and/or convertible debentures. Payment shall be made in cash and/or in kind or by set-off or otherwise with conditions. The purpose of the authorization is to enable the Company to raise working capital. The reason for disapplaying the shareholders' pre-emption rights is to facilitate the procurement of capital. If new issue of shares is paid in cash without the shareholders pre-emption rights the issuing conditions must be market oriented.

Risks and Uncertainty Factors

The risks are primarily associated with ChronTech's business risk and possibilities to finance development. For ChronVac-C®, the biggest risk is assessed to be that the main product ChronVac-C®, at the dosages administered, will not activate a human immune response of sufficient strength. In addition, there can be no guarantee that the clinical trials conducted by ChronTech are able to demonstrate with sufficient clarity that potential products are sufficiently safe and effective. In such case, approval may not be forthcoming for these products, which would adversely affect ChronTech's operations, financial position and earnings.

Another risk ChronTech is exposed to lies in its competitive market, with the risk of new and better pharmaceuticals from competing companies.

For a more in-depth discussion of the company's exposure to risk, please refer to the Risk Factors section (pages 21-22) and note 19 of ChronTech's Annual Report 2011 and ChronTech's Prospectus November 2011 (only available in Swedish).

Accounting Policies

This Year-end Report has been compiled in accordance with the Swedish Accounting Standards Board's general recommendations for voluntary interim reporting, BFNAR 2007:1. The accounting policies applied are consistent with those applied when preparing the 2011 Annual Report.

Related Party Transactions

No related party transactions have occured during the period.

Proposed Appropriation of Loss

Accumulated deficit will be proposed to be carried forward.

Forthcoming Financial Reports

Annual Report	March 2013
Annual General Meeting	April 2013
First-quarter Interim Report 2013	3 May 2013
Second-quarter Interim Report 2013	23 August 2013
Third-quarter Interim Report 2013	25 October 2013
Year-end Report 2013	31 January 2014

ChronTech's Annual Report will be available on the company's website and also sent to shareholders on request.

The Board of Directors and the Chief Executive Officer hereby declare that the Year-end Report gives a true and fair view of the company's operations, financial position and results, and that it accurately reviews the material risks and uncertainties facing the company.

Huddinge, Sweden, 25 January 2013

Thomas Lynch Chairman	Anders Vahlne CEO and Board member	William Hall Board member	Matti Sällberg Board member
John Climax Board member	Simon Kukes Board member	Prem Lachman Board member	

This Year-end Report has not been subject to review by the company's auditors

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INCOME STATEMENT

SEK m	3 mth. Oct-Dec 2012	3 mth. Oct-Dec 2011	12 mth. Jan-Dec 2012	12 mth. Jan-Dec 2011
Net sales	-	-	-	-
Other operating income	0.0	0.0	0.0	0.0
Total operating income	**0.0**	**0.0**	**0.0**	**0.0**
Operating costs				
Other external costs [1)]	-4.0	-5.6	-16.8	-17.9
Payroll costs	-0.7	-0.7	-2.7	-2.3
Depreciation of tangible fixed assets	-0.1	-0.1	-0.3	-0.1
Total operating costs	**-4.8**	**-6.4**	**-19.8**	**-20.3**
Operating profit/loss	**-4.8**	**-6.4**	**-19.8**	**-20.3**
Profit/loss from financial investments				
Interest income and similar profit/loss items	0.0	0.1	0.1	0.2
Write-down of financial fixed assets	-	-	-	-0.0
Interest costs and similar profit/loss items	-0.0	-0.0	-0.0	-0.1
Total profit/loss from financial investments	**0.0**	**0.1**	**0.1**	**0.1**
Profit/loss after financial items	**-4.8**	**-6.3**	**-19.7**	**-20.2**
Tax on net profit/loss	-	-	-	-
Net profit/loss for the period	**-4.8**	**-6.3**	**-19.7**	**-20.2**

1) R&D costs specified under key figures on p. 6

EARNINGS PER SHARE

SEK	3 mth. Oct-Dec 2012	3 mth. Oct-Dec 2011	12 mth. Jan-Dec 2012	12 mth. Jan-Dec 2011
Earnings per share	-0.03	-0.04	-0.11	-0.17
Earnings per share after dilution	-0.03	-0.04	-0.11	-0.17
Outstanding average number of shares	181,137,022	169,443,048	181,137,022	118,383,017

Earnings per share: net profit/loss divided by the average number of shares. Earnings after dilution: net profit/loss divided by the average number of shares after dilution. No outstanding options give rise to any dilution effect when calculating earnings per share. Conversion has been affected for the bonus issue element of consummated rights issues.

NUMBER OF OUTSTANDING SHARES

	3 mth. Oct-Dec 2012	3 mth. Oct-Dec 2011	12 mth. Jan-Dec 2012	12 mth. Jan-Dec 2011
No. of outstanding shares, opening balance	181,137,022	162,219,930	181,137,022	82,219,930
Private placement	-	-	-	80,000,000
Set-off issue	-	10,000,000	-	10,000,000
Rights issue	-	6,343,272	-	6,343,272
Rights issue [1)]	-	2,573,820	-	2,573,820
Outstanding number of shares, closing balance	181,137,022	181,137,022	181,137,022	181,137,022

A statement of changes in equity is presented on page 18 in ChronTech's Annual Report 2011, and in ChronTech's Prospectus November 2011, page 39 (only available in Swedish) Conversion has been affected.

1) Paid-up but not yet registered at the Swedish Companies Registration Office on 31 December 2011. Registration took place 5 January 2012.

WARRANTS

Series A has expired on 30 June 2008 without any options being exercised.
Series B has expired on 30 June 2009 without any options being exercised.
Series C has expired on 30 June 2010 without any options being exercised.
Series D has expired on 30 June 2011 without any options being exercised.

BALANCE SHEET

SEK m	31 Dec 2012	31 Dec 2011
Tangible fixed assets	1.1	1.0
Financial fixed assets	0.1	0.1
Current receivables	0.8	1.2
Cash & bank balances	0.1	15.8
Total assets	**2.0**	**18.1**
Shareholder's equity (see note below)	-8.1	11.7
Current liabilities	10.1	6.4
Total liabilities and shareholder's equity	**2.0**	**18.1**

STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

SEK m	31 Dec 2012	31 Dec 2011
Shareholder's equity, opening balance	11.7	2.4
Private placement, 80,000,000 shares [1)]	-	25.0
Set-off issue, 10,000,000 shares [2)]	-	3.1
Rights issue, 6,343,272 shares [3)]	-	1.1
Rights issue, 2,573,820 shares [4)]	-0.0	0.3
Options	-	0.0
Net profit/loss	-19.7	-20.2
Shareholders' equity, closing balance	**-8.1**	**11.7**

1) Includes issue costs of SEK 0.3 m
2) Includes issue costs of SEK 0.0 m
3) Includes issue costs of SEK 0.2 m
4) Includes issue costs of SEK 0.5 m

SHAREHOLDERS' EQUITY PER SHARE

SEK	31 Dec 2012	31 Dec 2011
Shareholders' equity per share	-0.04	0.06

Shareholders' equity per share: shareholders´ equity divided by the number of outstanding shares at the end of the period.
Conversion has been affected for the bonus issue element of consummated rights issues, including the right issue registered in January 2012.

CASH FLOW STATEMENTS

SEK m	12 mth. Jan-Dec 2012	12 mth. Jan-Dec 2011
Cash flow from operating activities		
Net profit/loss	-19.7	-20.2
Depreciation and write-downs	0.3	0.1
Cash flow from operating activities before change in working capital	**-19.4**	**-20.1**
Cash flow from change in working capital		
Decrease/increase (-) in receivables	0.4	-0.3
Decrease(-)/increase in current liabilities	3.6	2.0
Net cash flow used in operating activities	**-15.4**	**-18.4**
Net cash flow used in investment activities	**-0.3**	**-1.0**
Cash flow from financing activities		
New issue/capital contribution [1)]	-0.0	29.5
Cash flow from financing activities	**-0.0**	**29.5**
Cash flow for the period	-15.7	10.1
Liquid assets, at start of period	15.8	5.7
Liquid assets, at end of period	**0.1**	**15.8**

1) Including conversion of bridge loan to equity.

KEY FIGURES

	3 mth. Oct-Dec 2012	3 mth. Oct-Dec 2011	12 mth. Jan-Dec 2012	12 mth. Jan-Dec 2011
Return on capital employed, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Equity/assets ratio, %	neg	64.6	neg	64.6
Debt/equity ratio	0.0	0.0	0.0	0.0
Liquid assets, SEK m	0.1	15.8	0.1	15.8
Share risk-bearing capital, %	neg	64.6	neg	64.6
Cash flow for the period, SEK m	-0.2	-0.9	-15.7	10.1
Net investment in tangible fixed assets, SEK m	0.0	0.9	0.3	1.0
Internal research and development (written off), SEK m	0.0	0.0	0.0	0.0
External research and development (written off), SEK m	3.3	4.7	13.9	15.2
Salaries, benefits and social sequrity costs, SEK m	0.7	0.7	2.7	2.3
Average No. of employees	3	2	3	2