



Problems with sputtered film give decreased turnover, confirms the need of own sputtering capacity

As communicated in the Q2 report, ChromoGenics has had major quality problems from a supplier of sputtered film intended for our dynamic glasses during spring and summer 2019. These problems formed the basis for the board's decision to invest in our own sputtering capacity spring 2019.

The quality problems at our subcontractor have been machine- and process-related. As a result of hard work in cooperation with our supplier, the quality problems have decreased after the summer. Even though we are now on the right track, our deliveries to customers still suffers delays. This means that delivery of customer orders for dynamic products have been delayed and our revenue is postponed. The capacity utilization in the Uppsala plant has been low as a result of the problems. The delayed deliveries to customers have also affected our opportunity for new sales in the near future.

We therefore expect the turnover in 2019 will reach SEK 45-50 million compared to the spring's communicated SEK 80 million, which will also affect our liquidity. Furthermore, existing needs for re-deliveries that we previously communicated have, in consultation with the customer, been postponed until the summer of next year.

For our other products, as before, we are working with unchanged targets and with our own sputter machines in place (which is now under installation in Uppsala), we create the conditions for long-term growth and delivery security. Our machines are tailor-made for our dynamic products, thus ensuring quality and performance. We notice an increasing interest in our products and our price and performance are just right in time. With limited production capacity for the rest of the year, we now aim for sharply increased volumes in 2020.

Follow us and the development of our new world-unique factory at <https://www.chromogenics.com/new-factory/> and see how we create the foundation for a glass-clear product and a world-unique environmental company.

The Performance Glass Pioneers

Contact:

Jerker Lundgren, CEO
Lars Ericsson, CFO and Head of Communications
Tel: +46 (0)18 430 0430
E-mail: info@chromogenics.com

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Every care has been taken in the translation of this document. In the event of discrepancies, the Swedish original will supersede the English translation.

About ChromoGenics

ChromoGenics offers dynamic glass with controllable heat- and light transmission and static glass with world leading performance. The company's unique technology ConverLight® provides sustainable solar control for increased indoor comfort and energy efficiency. ConverLight also contributes to Green Building certifications. In 2016 the company started commercial sales to real estate projects in Scandinavia.

ChromoGenics is located in Uppsala, Sweden, and the technology is derived from the world leading research center at Ångström Laboratory at Uppsala University. The plant has been partly financed by a conditional loan from the Swedish Energy Agency. ChromoGenics share (CHRO) is listed on Nasdaq First North Growth Market with G&W Fondkommission as Certified Adviser e-mail:

ca@gwkapital.se, tel.: +46 (0) 8 503 000 50 www.chromogenics.com