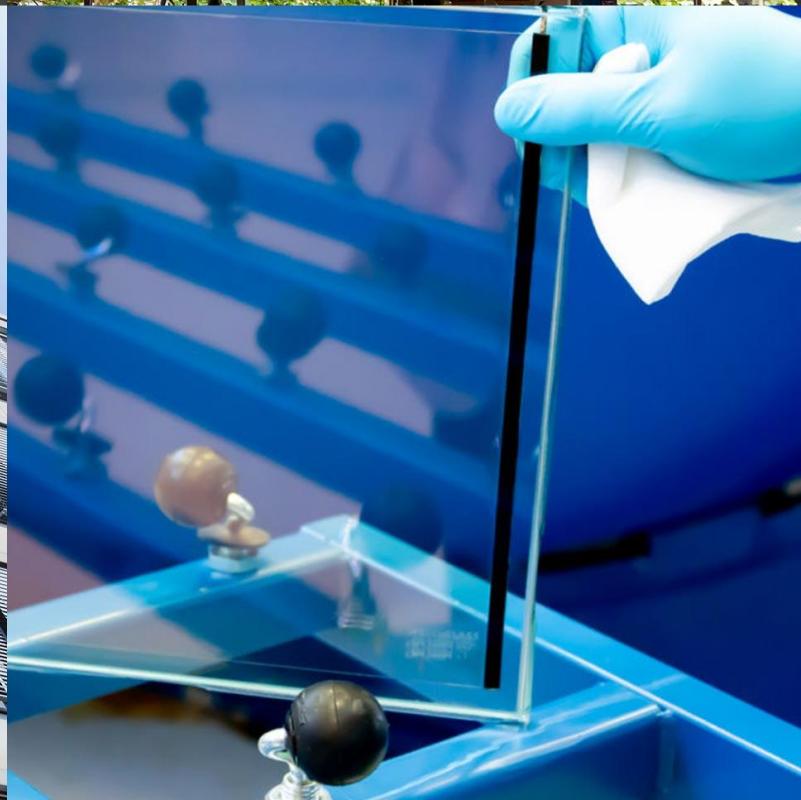
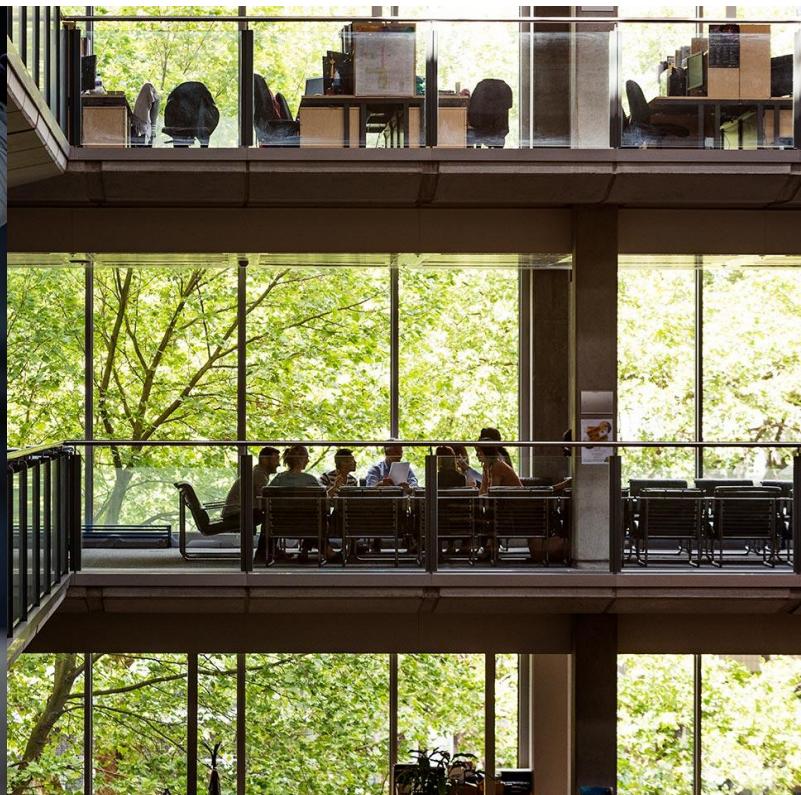
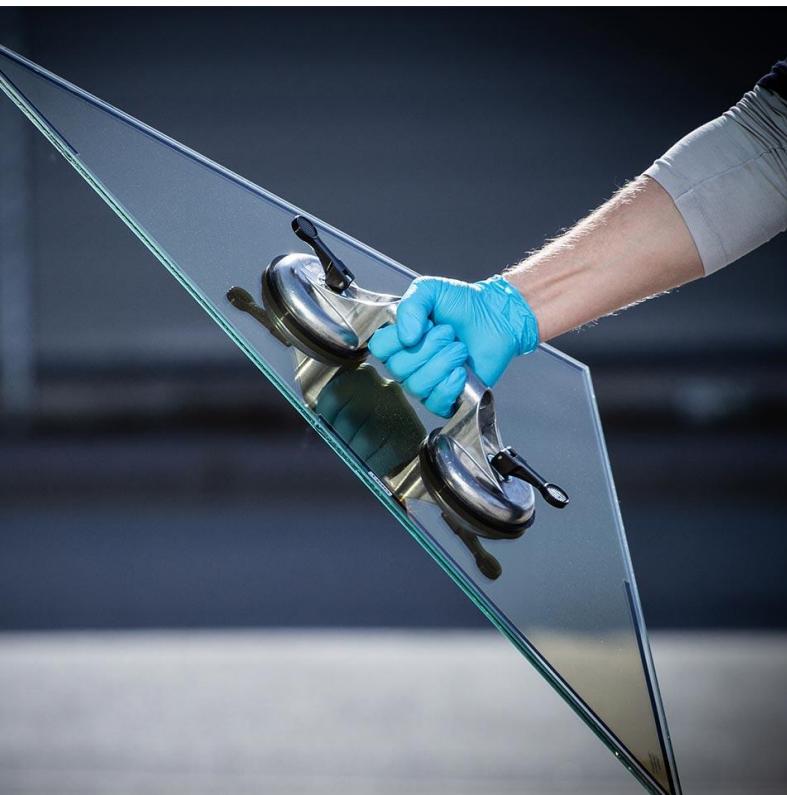


Interim Report

JANUARY 1 – JUNE 30, 2021



ChromoGenics restarted production of dynamic glass

Q2 2021

- On May 4, ChromoGenics announced that it would start in-house production of ConverLight® Dynamic, ChromoGenics' dynamic glass. The results of the conducted tests were so positive that ChromoGenics decided to start production on a limited scope, even if the ongoing long-term tests were not yet fully completed. Production was started slowly to reduce the risk of production disruptions. The process for tungsten oxide was established at the end of 2020, and the process for nickel oxide is now also in place. The company has now established stable sputtering processes.
- ChromoGenics completed in mid-June the long-term tests of the production of the dynamic glass ConverLight® Dynamic using conservative power inputs. The results of the tests looked as good as the preliminary results that formed the basis for the decision at the beginning of May to start production. The next step is to increase the rate of production and ensure that the metal oxide processes can handle the increased power and thus the heat resulting from a higher rate of production.
- The first dynamic glass from ChromoGenics' factory in Uppsala was installed at the end of June in a building in Uppsala.
- The operating loss for Q2 2021 amounted to SEK -28.8 (-15.5) million. After deducting SEK 17.2 million for redeliveries, the operating loss amounted to SEK -11.7 million, which is an improvement of SEK 3.9 million compared to the corresponding period in 2020.
- The action plan introduced in March 2020 to reduce the company's operating costs continued to have a major impact in Q2 2021. Operating costs excluding the provision of SEK 17.2 million for faulty deliveries decreased by approximately SEK 8.2 million compared to the corresponding period in 2020.
- Order intake for the second quarter amounted to SEK 0.5 (4.6) million. An order totaling SEK 23.3 million and with delivery in the fall of 2021 was received in March from Betonmast Oslo AS in Norway for the products ConverLight® Dynamic and ConverLight® Paragon ECO for installation in an environmentally certified building that is being built at Gullhaugs Torg 5 in Oslo, Norway. Due to the low rate of production, we have intentionally not accepted new orders for the dynamic products this quarter. The order volume going into Q3 2021 amounts to SEK 28.5 (9.7) million.
- ChromoGenics continued to be impacted during the quarter by both the coronavirus pandemic and the ongoing adjustments to the sputtering machines, which resulted in delayed orders from several of the company's customers. Several customers are waiting until it is possible for us to deliver dynamic glass with film produced in-house before they place their orders. Invoicing was postponed until later in 2021.
- Some customers have glass that was delivered before ChromoGenics started its in-house production and would like the glass to be replaced within the coming year. Because ChromoGenics would like to have good customer relationships and keep existing satisfied customers to receive new orders, agreements have been reached with them to replace unsatisfactory aesthetic glass with newly produced glass. A provision of SEK 17.2 million has been made in the semi-annual accounts for redeliveries.
- Net sales for Q2 2021 amounted to SEK 1.7 (4.0) million, and earnings amounted to SEK -29.8 (-18.9) million, which corresponds to earnings per share of SEK -4.21 (-2.68), basic, including warrants (TO3) from the unit issue in December 2020.
- Cash and cash equivalents amounted to SEK 48.5 (36.1) million on June 30, 2021.
- The Annual General Meeting was held on May 20, 2021, and due to the coronavirus (COVID-19) and the contagion risk it was held only via absentee ballot pursuant to temporary legislation.
- On June 11, Fredrik Fränding was named the new CEO of ChromoGenics. Fredrik takes over the role on August 23, and Leif Ljungqvist will retire.
- On June 30, TopRight Nordic AB withdrew its unsolicited bid to the shareholders and warrant

holders of the TO-3 series in ChromoGenics as the acceptance period closed. TopRight Nordic decided not to pursue its bid due to insufficient interest.

- An important part of ChromoGenics' investment for the future and development is the implementation of a new business system that supports ChromoGenics' entire production process and development into an industrial company. The project was completed during the first half of the year, and the business system became operational on June 1 at a cost of around SEK 1.3 million.

EARNINGS PERFORMANCE IN SUMMARY

SEK million	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	1,7	4,0	3,3	9,2	14,6
EBITDA	-28,3	-14,0	-37,6	-31,0	-51,8
Net income	-29,8	-18,9	-40,5	-38,4	-62,5
EPS before dilution, SEK	-4,21	-2,68	-5,72	-7,02	-11,26
EPS after dilution, SEK	-2,22	-2,68	-3,01	-7,02	-5,25
Cash and bank end of the period	48,5	36,1	48,5	36,1	93,4

EVENTS AFTER THE END OF THE PERIOD

- On July 7, ChromoGenics' Board of Directors announced that it took a positive stance to the shareholders' decision to reject the public bid from TopRight Nordic AB. ChromoGenics is focused in the near future on increasing the rate of production and delivering dynamic glass to both existing and new customers.
- On July 26, ChromoGenics communicated that customers that previously received faulty deliveries have submitted requests to have the glass replaced in the next year as ChromoGenics' production and deliveries of dynamic glass pick up speed. Because ChromoGenics would like to have good customer relationships and keep existing satisfied customers in order to receive new orders, agreements have been reached to replace unsatisfactory aesthetic glass with newly produced glass. ChromoGenics will make a provision of around SEK 17 million in the semi-annual accounts for 2021 that will have a negative impact on earnings for the period.

Comments from the CEO

It is with great happiness and confidence that I took over as CEO on August 23. I would like to take this opportunity to thank Leif Ljungqvist for the fantastic work over the past year, as a result of which we have now started our own production. Leif will remain in the company for a while and contribute with his expertise.

The first half of the year, and the second quarter in particular, entailed a positive restart for the company. We have now started our own production of dynamic glass, and the results from the demanding long-term tests are very positive. Our employees have done a fantastic job getting the equipment and processes to work.

We have also started to deliver. In June I had the honor of being present during the delivery and installation of the first dynamic glass from our own production line. The glass was installed in a property in Uppsala that would like to lower its environmental impact and improve the indoor environment.

During the second quarter, we started production for deliveries to the Norwegian project Gullhaugs Torg 5 in Oslo. The project corresponds to an order value of SEK 23.3 million, and final delivery is planned for the fall of 2021. The project has been slightly delayed due to coronavirus-related problems at several of our subcontractors, which will mean that invoicing to the customer will be postponed. We do not expect there to be an impact on our cash flow on an annual basis.

The restart of production has begun at a slow rate, and the speed will increase during the fall. We have had some minor problems, which were adjusted, and during the fall we will make minor investments with the aim of simplifying production and increasing the speed. The focus will be on developing our sputtering processes, but we will also make improvements to our glass lamination.

Net sales during the second quarter were SEK 1.7 (4.0) million and refer primarily to the sale of ConverLight® Static, with some sales of ConverLight® Energy. Earnings for the second quarter less provisions for faulty deliveries correspond to SEK -12.6 (-18.9) million. The improvement in earnings of SEK 6.3 million is attributable to the action plan the Board adopted in the spring of 2020. Earnings including provisions for faulty deliveries amounted to SEK -29.8 million.

The order backlog consists primarily of the Norwegian project and currently amounts to SEK 28.5 million. During the fall, we will increase the rate of sales. The intention is also to begin to replace the glass at customers who lodged complaints regarding previous glass deliveries due to poor quality.



The results from the first half of the year have provided us with a platform from which we can continue to build, and the goal in the long run is to create a profitable international industrial company based on our scalable and sustainable business idea. Our focus in the near future is to increase the capacity of our in-house production, increase the rate of sales and marketing, and accelerate the transformation into an industrial company.

Fredrik Fränding, CEO

Q2 2021

NET SALES

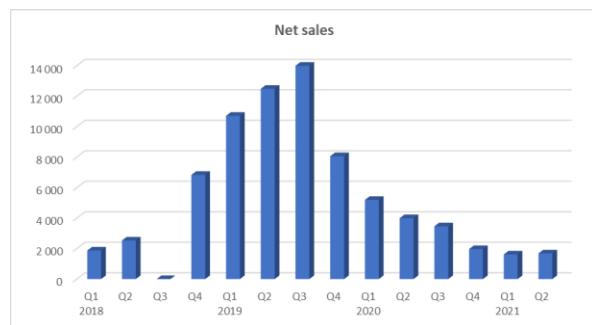
In Q2 2021, ChromoGenics' net sales amounted to SEK 1.7 (4.0) million, a decrease of around 58 percent compared to the corresponding period in 2020.

The production of the dynamic products began again on a limited scale in May, and the first glass was delivered at the end of June to a building in Uppsala. It was the first glass that has been laminated with in-house sputtered film from the new factory in Uppsala.

The operations continued to be negatively impacted by the single delivery of dynamic glass that occurred at the end of June. The electrochromic film that will be used as an input good in production will be made in-house and under our own quality controls. This has resulted in insufficient volumes of material to be able to produce and deliver dynamic products to the company's customers.

There were still approximately ten (10) projects carried out in the past quarter, primarily for static products, which amounted to SEK 1.5 (2.8) million, or roughly 92 per cent of net sales.

KSEK



The backlog increased with a few smaller orders during the quarter. Many customers are waiting for new glass that we are producing in-house. Sales activities are targeting new and existing

customers, but many customers have opted to put off new orders until the company's in-house production has started and delivery times can be confirmed. Sales activities will increase as production capacity increases.

The order received at the beginning of March from Betonmast Oslo AS for around SEK 23.3 million and refers to a delivery of both dynamic and static glass will mainly be delivered in Q4 2021 to Gullhaugs Torg in Oslo, Norway. The planning work is having an impact on all of the company's operations and activities.



KSEK



Work performed for the company's own use and capitalized amounted to SEK 1.1 (0.6) million and refers to the installation work on and adjustments to the new sputtering machines by in-house staff and the capitalization of R&D expenditure for new products, such as wireless control of the

dynamic products.

Other operating income amounted to just under SEK 0.3 (2.9) million in Q2 2021. The figures from last year included SEK 1.8 million for the furlough subsidy that was repaid in the fall of 2020.

ChromoGenics is currently participating in the Switch2Save R&D program within Horizon 2020 that is being financed by the EU. In 2020, the EU funding was reported during the first nine months as other operating income, and the amount for Q2 2020 was SEK 0.6 million.

COST DEVELOPMENT

A savings program was initiated in the spring of 2020 for the operating activities, and this program is still having a major impact in the second quarter of the year through reduced operating costs of around SEK +8.2 million compared to the same quarter in 2020. This was achieved through measures such as a reduction in the number of in-house staff, fewer external consultants, less material consumption, and a review of the useful life of production assets.

During the second quarter of the year, the operations continued in the same direction as H2 2020 and primarily focused on installing and finetuning the new proprietary sputtering machines that will create conditions for controlling the entire production process with in-house production of sputtered film. Work time has been dedicated to testing functionality and sustainability.

Costs for raw materials and consumables amounted to SEK 1.3 million in the second quarter of the year compared to SEK 4.8 million in the corresponding period in 2020. The costs are related to material purchases and hired subcontractors for the installation of the static products at customers.

As ChromoGenics' production and deliveries of dynamic glass are picking up, we have received requests from customers that previously received faulty deliveries that they would like the glass replaced in the coming

year. Because ChromoGenics would like to have good customer relationships and keep existing satisfied customers in order to receive new orders, agreements have been reached to replace unsatisfactory aesthetic glass with newly produced glass. ChromoGenics made the assessment that there was a need to make a provision of SEK 17.2 million in the semi-annual accounts. The provision for redeliveries amounted thus at the end of the period to SEK 21.5 (8.4) million.

Other external costs amounted to SEK 23.3 (8.5) million. Excluding the provision for redeliveries, external costs amounted to SEK -6.1 million. Cost savings of SEK 2.4 million during the quarter compared to the corresponding quarter in 2020 are primarily attributable to smaller purchases of consumables related to production, reduced costs for the premises, reduced purchases of IT services, a reduced need for consultant services, and significantly less travel.

Personnel costs in Q2 2021 amounted to SEK 5.6 million compared to SEK 6.9 million the previous year. There were on average 24 (37) employees in the quarter, which is a decrease of more than one-third compared to the corresponding period in 2020. The lower costs in Q2 2021 are attributable primarily to reduced wage-related costs and reduced pension expenses.

Depreciation/amortization on fixed assets amounted to SEK 0.5 (1.5) million. This decrease is due in part to intangible fixed assets, but property, plant and equipment have also been fully depreciated and thus are not included in the depreciation basis for Q1 2021. The useful life and the depreciation period have been extended to ten years for several useful machines, and as a result depreciation for the period was reduced by around SEK 0.2 million in the second quarter.

ChromoGenics' operating loss for the second quarter of the year was impaired and amounted to SEK -28.9 (-15.5) million. After deducting SEK 17.2 million for redeliveries, the operating

loss amounted to SEK -11.6 million, which is an improvement of SEK 3.9 million compared to Q2 2020.

Net financial items for April– June 2021 amounted to SEK - 1.0 (-3.5) million and are primarily related to interest expenses for the conditional loans from the Swedish Energy Agency.

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

Profit/loss for Q2 2021 amounted thus to SEK - 29.8 (-18.9) million, a deviation of SEK -10.9 million compared to the corresponding period in 2020. Adjusted for the provision for redeliveries of SEK 17.2 million, earnings improved by SEK 6.3 million.

CASH FLOW IN Q2

Cash flow from operating activities including a change in working capital amounted to SEK - 16.1 (-19.4) million in the second quarter of the year. The positive change in working capital is related to the cost level of the operations in Q2 2021 being lower than in the corresponding quarter in 2020.

Net cash flow from investing activities amounted to SEK -4.6 (-5.5) million in Q2 2021. The investments in intangible assets amounted to SEK -1.4 (0.0) million and are related to the installation of a new business system and the product development of wireless control. Acquisition of property, plant and equipment of SEK -3.2 (-5.6) million refers to the ongoing installation of the new sputtering machines in the production process.

Net cash flow from financing activities amounted to SEK -0.0 (-0.2) million in Q2 2021.

Cash flow for the period amounted to SEK - 20.7 million compared to SEK -25.1 million for the corresponding period in 2020.

H1 2021

NET SALES

In H1 2021, net sales amounted to SEK 3.3 (9.2) million, a decrease of 64 percent compared to 2020.

The production of dynamic glass began on a small scale in May, and only one small delivery was made at the end of June. The operations continued to be impacted negatively in H1 2021 by the absence of dynamic glass deliveries following the decision to manufacture and quality assure in-house the electrochromic film that is used as an input in production. This has resulted in insufficient volumes of material to be able to produce and deliver dynamic products to the company's customers.

Work performed for the company's own use and capitalized amounted to SEK 2.5 (1.6) million and refers to the installation work on and adjustments to the new sputtering machines by in-house staff and the capitalization of R&D expenditure for new products, such as wireless control of the dynamic products.

Other operating income amounted to approximately SEK 0.3 (3.7) million in H1 2021. The figures from last year included SEK 1.8 million for the furlough subsidy that was repaid in the fall of 2020. ChromoGenics is currently participating in the Switch2Save R&D program within Horizon 2020 that is being financed by the EU. In 2020, the EU funding was reported during the first nine months as other operating income, and the amount for H1 2020 was SEK 1.3 million.

COST DEVELOPMENT

A savings program was initiated in the spring of 2020 for the operating activities, and this program is still having a major impact in the first half of the year through reduced operating costs of around SEK +21.0 million compared to the same period in 2020. This was achieved through measures such as a reduction in the number of in-house staff, fewer external

consultants, fewer in-house installation projects, and a review of the useful life of production assets.

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

Costs for raw materials and consumables amounted to SEK 2.9 million in the first half of the year compared to SEK 11.1 million for the corresponding period in 2020. The costs are related to material purchases and hired subcontractors for the installation of the static products at customers. The lower net sales in the first half of the year from fewer deliveries contributed to lower material consumption.

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

Other external costs amounted thus to SEK 28.4 (18.0) million. Cost savings during the first six months compared to the corresponding period in 2020 are primarily attributable to the lower use of consumables in production, reduced purchases of IT services, a reduced need for consultant services, and significantly less travel.

Personnel costs for H1 2021 amounted to SEK 10.7 million compared to SEK 14.5 million the previous year. There were on average 23 (35)

employees in during the first six months of the year, which is a decrease of one-third compared to the corresponding period in 2020. The lower costs in H1 2021 are attributable primarily to reduced wage-related costs and reduced pension expenses.

Depreciation/amortization on fixed assets amounted to SEK 0.9 (3.2) million. This decrease is due to the full depreciation over the past year of some intangible fixed assets, as well as property, plant and equipment, which are thus not included in the depreciation basis for H1 2021. The useful life and depreciation period have been extended to ten years for several important machines, and as a result depreciation for the period was reduced by around SEK 0.4 million for the first six months of the year.

ChromoGenics' operating loss for the first six months of the year was weaker and amounted to SEK -38.6 (-34.2) million. After deducting the provision for redeliveries, the operating loss amounted to SEK -21.4 million, or a reduction of the deficit by almost 40 percent compared to H1 2020.

Net financial items for January–June 2021 amounted to SEK - 1.9 (-4.2) million and are primarily related to interest expenses for the conditional loans from the Swedish Energy Agency.

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

Profit/loss for H1 2021 amounted thus to SEK - 40.5 (-38.4) million, a decrease of SEK 2.1 million compared to the corresponding period in 2020. Adjusted for the provision for redeliveries of SEK 17.2 million, earnings for the period improved by SEK 15.1 million compared to the corresponding period in 2020.

CASH FLOW

Cash flow from operating activities including change in working capital amounted to SEK - 35.8 (-38.2) million for the first six months of the year and is related to the operating loss as

per June 30.

Net cash flow from investing activities amounted to SEK -9.0 (-13.1) million in H1 2021. The investments in intangible assets amounted to SEK -3.1 (0.0) million and are related to the installation of a new business system and the product development of wireless control. Acquisition of property, plant and equipment of SEK -5.8 (-13.1) million refers to the ongoing installation of the new sputtering machines in the production process.

Net cash flow from financing activities amounted to SEK -0.2 (62.5) million in H1 2021. A rights issue was completed the previous year on March 4, 2020, and raised SEK 62.7 million net after issue expenses.

Cash flow for the period amounted to SEK -44.9 million compared to SEK +11.3 million for the corresponding period in 2020.

FINANCIAL POSITION

The balance sheet total on June 30, 2021, amounted to SEK 186.9 (156.9) million, an increase of around SEK 30.0 million in twelve months. The company's fixed assets increased by SEK 13.2 million compared to one year ago and are primarily attributable to the ongoing investment in new sputtering machines. In current assets, accounts receivable and current receivables increased by SEK 5.3 million the past twelve months, primarily due to advance invoicing for the GT-5 order that will be delivered this fall.

Cash and cash equivalents amounted to SEK 48.5 million on June 30, 2021, compared to SEK 36.1 million on June 30, 2020. As at December 31, 2020, cash and cash equivalents amounted to SEK 93.4 million, which means cash and cash equivalents decreased by SEK 44.9 million.

Equity at the end of the period amounted to SEK 80.3 million, of which restricted equity amounted to SEK 5.2 million and unrestricted equity to SEK 75.1 million. For the same period

in 2020, equity amounted to SEK 66.7 million. Adjusted equity considering two conditional loans from the Swedish Energy Agency amounted to SEK 127.9 million compared to the opening balance for the year of SEK 168.5 million and for one year ago of SEK 116.2 million. In October 2020, ChromoGenics was granted a deferment until October 1, 2022, for its repayment obligation on the conditional loans from the Swedish Energy Agency, which means current liabilities of around SEK 11.2 million were reclassified as non-current liabilities. Long-term interest-bearing liabilities amounted to SEK 59.0 (45.8) million.

The current liabilities amounted on the balance sheet date to SEK 41.2 (39.4) million. The equity/assets ratio as per June 30, 2021, amounted to 68.4 (74.0) percent.

INVESTMENTS

The investments in H1 2021 amounted to SEK -9.0 (-13.1) million, of which SEK -3.1 (0.0) million refers to intangible assets associated with the installation of a new business system and the product development of wireless control. Property, plant and equipment amounted to SEK -5.8 (-13.1) million and for both years refer primarily to the ongoing installation of two new sputtering machines for production capacity in Uppsala and two smaller machines that will be used for testing and development work.

The company's next stage of development is to reduce its production costs and simultaneously realize an increase in its production efficiency and quality. Sputtering is the main process in the production of the patented electrochromic film that serves as a basis for all of ChromoGenics' dynamic products.

EMPLOYEES

The average number of employees (FTEs) in Q2 2021 amounted to 24 (37). There were on average 36 (42) employees (FTEs), including temporary staffing and consultants, in Q2 2021, compared to 28 in Q1 2021. There were 24 employees at June 30, 2021, compared to

24 at December 31, 2020.

SHARE CAPITAL

The most recent change in the share capital was registered on December 30, 2020 and referred to a new issue of units with a preferential right for existing shareholders that was conducted November 25–December 9, 2020. A holding of five shares was entitled to subscription of seven newly issued shares and two warrants (TO3). The share issue was 100 percent guaranteed and raised gross SEK 94.1 million. The number of shares after the new issue amounts to 16,976,019 and share capital to SEK 3,395,203.80, with a quotient value of SEK 0.20.

The warrants issued under the rights issue entitle the holder, during the periods September 13–27, 2021, and March 16–31, 2022, for each warrant, to subscribe to one (1) new share in ChromoGenics at a strike price of eighty (80) percent of the volume-weighted average price of the company's shares as determined during the measurement periods August 26–September 8, 2021, and February 28–March 11, 2022, although at the lowest

SEK 8.00 and at the most SEK 12.00, per share.

In conjunction with the acquisition of the net assets of I-Window International AB in September 2018, a share issue of 1,000,000 new shares was offered at a price of SEK 0.71/share to I-Window International AB. At the same time, 2,000,000 warrants were issued to I-Window International AB. The completed reverse share split in the summer of 2020 and the most recent rights issue in December 2020, have impacted the recalculation that entitles each warrant to subscription of 0.0224 shares at a subscription price of SEK 89.31/share from December 31, 2020, to December 31, 2021. A maximum of 44,863 new shares can be issued at a subscription price of SEK 89.31/share.

SHAREHOLDERS

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

The largest shareholders as at June 30, 2021, are presented below:

Shareholders per 2021-06-30	Ordinary shares	Votes and capital
Rothesay Limited	1 321 546	7,78%
Försäkringsaktiebolaget, Avanza Pension	1 027 199	6,05%
Formue Nord Markedsneutral A/S	1 004 126	5,91%
RGG-ADM Gruppen	874 955	5,15%
Midroc Invest AB	692 293	4,08%
Nordnet Pensionsförsäkring AB	562 050	3,31%
Bengt Josefsson Utvecklings AB	320 000	1,89%
Färna Invest AB	300 000	1,77%
Commerzbank AG, W8IMY	276 776	1,63%
SEB Pank AS, NQI	202 942	1,20%
OTHERS	10 394 132	61,23%
TOTALT	16 976 019	100,0%

Source: Euroclear AB

According to Euroclear, there were 6,669 shareholders at the end of the period.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

The company is exposed to a number of financial risks: liquidity risk, credit risk and currency risk. The Board of Directors and the company's management team strive to manage these risks by on a regular basis identifying, evaluating and, where appropriate, offsetting and counteracting them. For more information, see [Annual Report 2020](#)

Liquidity risk

Cash and cash equivalents amounted to SEK 48.5 million on June 30, 2021. Two rights issues were conducted in 2020, of which the first in February–March 2020 brought in net SEK 62.7 million. The second rights issue in 2020 consisted of units in November–December and increased liquidity with a net contribution of SEK 78.3 million.

ChromoGenics' future capital needs are determined by a large number of factors, such as the planned rate of expansion, product and process development, investment needs, and the company's sales development and achieved gross margins.

The Board is reviewing on a continuous basis several conceivable scenarios, each of which has a different need for financing. Financing in turn can be raised from different sources and carried out in different ways depending on prevailing market conditions. The Board continues to see good possibilities for successfully securing long-term financing for the company. The goal is for customers and

suppliers to view ChromoGenics as a stable company.

If the company's cash and cash equivalents do not cover the need for financing up until the point in time when the company achieves a positive cash flow from its operating activities, and if the company does not successfully secure long-term financing, there is a risk that this will ultimately lead to the winding down of the company.

Currency risk

Currently, the significant portion of the company's sales are 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.

Employees

ChromoGenics currently has an organization of approximately 35 employees, including temporary staff and consultants, and is dependent on a number of key staff members. A weak financial position and weak profitability during the company's growth phase can limit the possibility of recruiting and keeping key staff members.

AUDITOR'S REVIEW

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

CALENDAR

November 21, 2021	Interim Report January–September 2021
February 18, 2022	Year-End Report 2021
May 19, 2022	Interim Report January–March 2022
May 19, 2022	Annual General Meeting 2022
August 25, 2022	Interim Report January–June 2021

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, August 26, 2021

ChromoGenics AB (publ) CIN 556630-1809

Anders Brännström
Board member

Johan Hedin
Chair of the Board of Directors

Mari Broman
Board member

Claes-Göran Granqvist
Board member

Andreas Jaeger
Board member

Fredrik Fränding
CEO

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Certified Adviser: Erik Penser Bank AB

ABOUT CHROMOGENICS

ChromoGenics is a property technology company providing smart dynamic glass for real estate. The company's product ConverLight® Dynamic controls indoor comfort with high daylight input, good views and solar heat blocking and thereby reduces the costs of cooling. ConverLight® Dynamic is based on a patented solution where electrochromic coatings are laminated in plastic film and then laminated between glass. The plastic film is easy to transport, which is why long shipments of bulky glass can be avoided. ChromoGenics also offers static glass, ConverLight® Static, and the facade glass solution ConverLight® Energy. ChromoGenics share was listed on Nasdaq First North Growth Market 2017 and the company has provided smart glass solution to a wide range of real estate companies.

ChromoGenics is based in Uppsala and is a spin-off from the world-class research at the Ångström Laboratory at Uppsala University. The company's production facilities 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 Erik Penser Bank AB is the Certified Adviser. www.chromogenics.com/sv/

Financial Statements:

Income Statement

Balance Sheet

Statement of Cash Flows

Statement of Changes in Equity

Notes

Income Statement per Individual Quarter

Statement of Cash Flows per Individual Quarter

Income Statement

KSEK	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	1 682	3 994	3 298	9 188	14 616
Change in inventories of products in progress	-1 209	-1 261	-1 523	-1 575	-2 365
Capitalized own work	1 149	614	2 469	1 572	4 886
Other operating income	276	2 857	345	3 711	682
Gross operating income	1 898	6 204	4 589	12 896	17 819
Raw materials and consumables used	-1 305	-4 796	-2 900	-11 115	-16 996
Other external costs	-23 295	-8 485	-28 372	-18 042	-27 305
Personnel costs	-5 588	-6 894	-10 735	-14 534	-25 007
Depreciation of intangible assets and tangible assets	-456	-1 492	-937	-3 179	-4 982
Other operating expenses	-55	-24	-220	-232	-302
Total operating expenses	-30 699	-21 691	-43 164	-47 102	-74 592
Operating income	-28 801	-15 487	-38 575	-34 206	-56 773
Interest income	33	29	66	37	67
Interest expenses	-1 023	-3 481	-1 973	-4 249	-5 769
Total result of financial items	-990	-3 452	-1 907	-4 212	-5 702
Operating income after financial items	-29 791	-18 939	-40 482	-38 418	-62 475
Tax	0	0	0	0	0
Net income	-29 791	-18 939	-40 482	-38 418	-62 475

Balance Sheet

KSEK	2021 30-jun	2020 31-Mar	2020 31-Dec	2020 30-Sep	2020 30-Jun
ASSETS					
Non-current Assets					
Intangible assets	9 358	8 256	6 851	5 975	6 411
Property, plant and equipment	96 364	93 359	90 839	88 337	85 512
Financial assets	4 348	4 396	4 765	4 975	4 975
Total non-current assets	110 070	106 011	102 455	99 287	96 898
Current Assets					
Inventories and work in progress	7 617	7 054	8 245	7 052	8 462
Trade receivables	9 936	10 404	2 225	2 659	3 211
Other current receivables	10 770	10 817	7 518	9 614	12 214
Cash and cash equivalents	48 495	69 182	93 390	21 302	36 120
Total current assets	76 818	97 457	111 378	40 627	60 007
TOTAL ASSETS	186 888	203 468	213 833	139 914	156 905
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	3 395	3 395	3 395	1 415	1 415
Fund, development expenses	1 779	1 779	1 779	738	738
<i>Non-restricted equity</i>					
Share premium reserve	649 880	649 884	650 036	573 678	573 736
Accumulated profit/loss	-534 281	-534 281	-471 806	-470 766	-470 766
Operating income for the period	-40 482	-10 691	-62 475	-53 549	-38 418
Total equity	80 291	110 086	120 929	51 516	66 705
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ¹⁾	59 012	58 094	57 010	56 013	45 814
EU contribution	6 343	6 343	6 343	4 975	4 975
Total non-current liabilities	65 355	64 437	63 353	60 988	50 789
Current liabilities					
Current interest-bearing liabilities ¹⁾	0	0	0	1 868	3 789
Trade payables	6 728	7 363	8 149	4 449	12 649
Other current liabilities	34 514	21 582	21 402	21 093	22 973
Total current liabilities	41 242	28 945	29 551	27 410	39 411
TOTAL EQUITY AND LIABILITIES	186 888	203 468	213 833	139 914	156 905

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

Statement of Cash Flows

KSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
OPERATING ACTIVITIES					
Profit/loss before tax	-28 801	-15 487	-38 575	-34 206	-56 773
Financial income and expenses	-990	-3 451	-1 907	-4 212	-5 702
<i>Adjustments for non-cash items:</i>					
Contribution from EU	48	0	417	-	1 578
Capital gain sold fixed assets	0	-5	0	-5	17
Depreciation/amortization and impairment	456	1 492	937	3 179	4 982
Cash flow from operating activities	-29 287	-17 451	-39 128	-35 244	-55 898
before changes in working capital					
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	-563	2 263	628	-1 713	-1 496
Increase(-)/decrease(+) trade receivables	468	2 305	-7 711	4 103	5 089
Increase(-)/decrease(+) current receivables	47	-363	-3 252	-484	3 579
Increase(+)/decrease(-) trade payables	-635	-7 170	-1 421	-8 942	-13 442
Increase(+)/decrease(-) current liabilities ¹⁾	13 850	1 003	15 114	4 086	12 424
Cash flow from changes in working capital	13 167	-1 962	3 358	-2 950	6 154
Cash flow from operating activities	-16 120	-19 413	-35 770	-38 194	-49 744
INVESTING ACTIVITIES					
Acquisition of intangible assets	-1 414	0	-3 131	0	-1 220
Acquisition of property, plant and equipment	-3 149	-5 543	-5 838	-13 093	-19 465
Sale of property, plant and equipment	0	40	0	40	40
Cash flow from investing activities	-4 563	-5 503	-8 969	-13 053	-20 645
FINANCING ACTIVITIES					
New share issue	-4	-191	-156	62 517	140 798
Repayment of debt	0	0	0	0	-1 869
Cash flow from financing activities	-4	-191	-156	62 517	138 929
CASH FLOW FOR THE PERIOD	-20 687	-25 107	-44 895	11 270	68 540
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	69 182	61 227	93 390	24 850	24 850
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	48 495	36 120	48 495	36 120	93 390

Statement of changes in equity

KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2020	80 476	738	432 158	-470 766	42 606
New share issues	62 971		107 343		170 314
New share issue fees			-29 516		-29 516
Fund for development expenses		1 041		-1 041	0
Decrease of share capital	-140 052		140 052		0
Operating income for the period				-62 475	-62 475
Equity 31 Dec 2020	3 395	1 779	650 037	-534 282	120 929
KSEK	Share capital	Fund, development expenses	Share premium reserve	Accumulated profit/loss	Total equity
Equity 1 Jan 2021	3 395	1 779	650 037	-534 282	120 929
New share issues					0
New share issue fees			-156		-156
Operating income for the period				-40 482	-40 482
Equity 30 Jun 2021	3 395	1 779	649 881	-574 765	80 291

Among the company's liabilities is a soft loan from the Swedish Energy Agency which, according to the loan agreement and the regulations set out in the Swedish Companies Act (25:14), may be eliminated upon preparation of a balance sheet for liquidation purposes. The utilized soft loan from the Swedish Energy Agency amounted to SEK 47.6 million. Equity taking into account the soft loan, i.e. adjusted equity, amounted to SEK 127.9 million as per June 30, 2021 and SEK 168.5 million as per December 31, 2020.

Notes

Note 1, Accounting principles

ChromoGenics prepares its annual accounts in accordance with the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board set out in BFNAR 2012:1, Annual Accounts and Consolidated Accounts (K3). The accounting principles have not changed compared to the previous year.

Income Statement per isolated quarter

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

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

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

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

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

Statement of Cash Flows isolated quarters

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