

Interim Report

JANUARY 1–SEPTEMBER 30, 2021



Deliveries have started, and ChromoGenics improved its earnings

THIRD QUARTER OF 2021

- ChromoGenics began in-house production of its dynamic glass ConverLight® Dynamic at the end of May at a slow rate to reduce the risk of production disruptions. During the quarter, the rate of production was gradually increased with several deliveries to our customers.
- After ChromoGenics completed the long-term tests of the in-house dynamic glass ConverLight® Dynamic in mid-June, the top priority has been the post-inspection. Our focus is now on increasing the rate of production step by step in a quality-assured manner.
- The first dynamic glass from ChromoGenics' factory in Uppsala was installed at the end of June in a building in Uppsala, and this work will continue into the fourth quarter.
- At the beginning of September, ChromoGenics delivered the first dynamic glass for the order from the Norwegian construction company Betonmast for the Gullhaugs Torg project in Oslo. In total, ChromoGenics will deliver approximately 4,000 m² of dynamic and static glass to an environmentally certified building that is under construction.
- The operating loss for Q3 2021 amounted to SEK -6.3 (-14.4) million, which is the best individual operating profit for a quarter since the company was floated in 2017. An improvement of SEK 8.1 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 Q3 2021. Operating costs increased by around SEK 2.0 million compared to the corresponding period in 2020 due to the production increase and delivered goods. In total during the first nine months of the year, the costs savings amounted to approximately SEK 22 million.
- Order intake for the third quarter amounted to SEK 4.3 (1.4) million. Delivery began in September on the large order totaling SEK 23.3 million 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. During the quarter, the company received add-on orders in the project of around SEK 3.5 million for services and components.
- The order volume going into Q4 2021 amounts to SEK 24.8 (9.7) million.
- Several customers have waited until we were able to confirm the delivery date before placing their orders for dynamic glass with the film we produce in-house. We were able to announce such confirmation at the end of the quarter. Our sales team is now working to increase its contact with customers and raise the value of our sales pipeline and order book with additional new business for delivery in 2022.
- 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. We have begun planning to rectify a number of faulty delivery projects.
- Net sales for Q3 2021 amounted to SEK 7.7 (3.5) million, and earnings amounted to SEK -7.3 (-15.1) million, which corresponds to earnings per share of SEK -1.03 (-2.14), basic, including warrants (TO3) from the unit issue in December 2020.
- Cash and cash equivalents amounted to SEK 28.2 (21.3) million on September 30, 2021.
- On June 23, Fredrik Fränding was named the new CEO of ChromoGenics. Leif Ljungqvist stepped down to retire.
- The first utilization period for warrants of the series 2020/2022 expired on September 27. In total, 61,576 warrants were utilized for subscription of an equal number of shares at a subscription price of SEK 8.00 per share. The number of shares in ChromoGenics increased to 17,037,595, and the share capital increased by SEK 12,315.20 to SEK 3,407,519.00. The Swedish Companies

Registration Office registered the issue on September 30, 2021.

EARNINGS PERFORMANCE IN SUMMARY

<i>SEK million</i>	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Net sales	7,7	3,5	11,0	12,6	14,6
EBITDA	-5,8	-13,1	-43,4	-44,2	-51,8
Net income	-7,3	-15,1	-47,7	-53,5	-62,5
EPS before dilution, SEK	-1,03	-2,14	-6,75	-9,65	-11,26
EPS after dilution, SEK	-0,60	-2,14	-3,96	-9,65	-5,25
Cash and bank end of the period	28,2	21,3	28,2	21,3	93,4

EVENTS AFTER THE END OF THE PERIOD

- On October 5, ChromoGenics announced it had received new orders for ConverLight® Static of around SEK 1.1 million from Humlegården and others with delivery in the fourth quarter. The orders are related to an upgrade by switching out the glass in existing windows in two office buildings in Solna to ConverLight® Static.
- On November 3, ChromoGenics announced that the deliveries were delayed due to material shortages and capacity limitations in the supply chain. The final deliveries to the end customer Betonmast for the Gullhaugs Torg project in Oslo are estimated to be delayed by eight weeks. Invoicing and incoming cash flow is judged to be affected to the same extent.
- ChromoGenics also experienced disruptions in its own production process. The problem was identified, and the solution was expected to be validated at the end of November. Production in the factory was stopped until further notice. The assessment was made that the production standstill does not create additional delays in the Gullhaugs Torg project since at that point in time the supply chain was the bottleneck. Final deliveries to Vasakronan for the Hästen project were judged to be delayed by an additional three weeks.
- On November 8, ChromoGenics received a new order of SEK 1.2 million for ConverLight® Dynamic glass for an office building in Bergen, Norway.
- On November 10, ChromoGenics signed an agreement for a new order together with window manufacturer LEIAB for delivery of ConverLight® Dynamic glass to a nursing home in Skara.

Comments from the CEO

ChromoGenics took great strides during the quarter in its transition from a development company to an industrial company. We have delivered to customers and invoiced SEK 7.7 million, which is the best quarterly result since the company was floated in 2017.

The sputtering factory has been running three shifts for large parts of the quarter, including weekends. Film production and glass lamination have been consistently working two shifts. The focus for the entire organization is and has been to increase production in a quality-assured manner. Our employees have worked hard, and we are very grateful for their contributions.

During the quarter, we appointed two production engineers and made some organizational changes to further strengthen production management and method development and make continuous improvements. We also brought in global experts in our type of sputtering process both to ensure that we are choosing the right path to increase production capacity and to develop our own competence.

We achieved over several days in the quarter a production rate corresponding to 200 m² of completed glass a week, which is the level we are striving for and plan to maintain from the start of the new year. We are planning to further increase the rate of production in 2022.

Delivery chains around the world are uncertain right now, and this has also had an impact on ChromoGenics. Delivery times for glass are not only longer but also uncertain. Our subcontractors have not successfully reached planned volumes due to material shortages and capacity limitations. The final deliveries to the end customer Betonmast for the project at Gullhaugs Torg in Oslo are therefore delayed by an estimate of eight weeks, which has a corresponding impact on our invoicing and cash flow.

After the end of the quarter, ChromoGenics also experienced disruptions in its production process. The problem has been identified, and we estimate that the solution will be validated at the end November. Production in the factory is at a standstill until further notice. Our assessment is that the production interruption will not create additional delays in the Gullhaugs Torg project since the supply chain is the bottleneck. Final deliveries to Vasakronan for the Hästen project are judged to be delayed by an additional three weeks.

We view these delays very seriously as they affect customers' trust in us. At the same time, our own ability to rapidly identify and resolve quality deficiencies has been enhanced.

The third quarter represents in many ways a new start for our sales work since we were able at the end of the quarter to finally begin to confirm delivery times for new orders. We are also in the planning stage for a number of faulty delivery projects.

We have further strengthened the sales team with an experienced business developer, who has been able to immediately contribute to our sales work. During the quarter we also accelerated our marketing, primarily in social media and through participation in industry-specific customer events and trade shows. Thanks to these efforts, we increased the value of our sales pipeline. Order intake also increased during the quarter.

After the end of the quarter, we signed an agreement valued at SEK 1.2 million with the Norwegian company Nordvestvinduet for delivery of dynamic glass to an office building in Bergen, Norway. We also signed an agreement to deliver in collaboration with LEIAB dynamic glass windows to a nursing home in Skara to improve the well-being of the residents.

Our solutions contribute to improved well-being indoors for everyone. Scientific studies show

productivity gains of between 8 and 20 percent among office workers. Well-being increases in particular for those with dementia and psychiatric illnesses, who often find sharp shadow lines stressful. We are seeing strong interest in our products, in particular from special housing.

The quarter has been a challenge, but we have taken steps in the right direction and are seeing a positive trend, especially in our earnings. Our focus is on restarting production in a quality-assured manner and continuing to increase the capacity of our in-house production, increase the rate of sales and marketing, and accelerate our transformation into an industrial company.

Fredrik Fränding, CEO



Third quarter of 2021

NET SALES

In Q3 2021, ChromoGenics' net sales amounted to SEK 7.7 (3.5) million, an increase of around 124 percent compared to the corresponding period in 2020. This is the highest net sales for the company since Q4 2019.

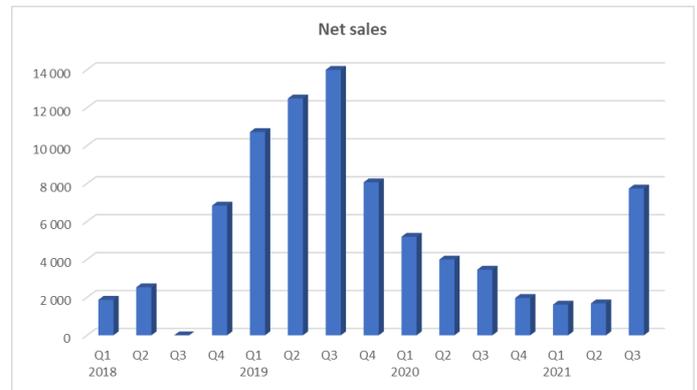
The restarted production of the dynamic products has increased gradually in the third quarter after the vacation period. The building in Uppsala that received at the end of June the first glass with our in-house sputtered film continued to receive partial deliveries of around SEK 0.5 million. The final delivery is expected to occur in the fourth quarter.

The first partial deliveries of the large order for Gullhaugs Torg 5 for a new building in Oslo, Norway, were delivered at the end of September. The order is very complex and contains both dynamic and static glass to reduce the weight of the completed glass in the facade. The planning and implementation work has an impact on all of the company's operations and activities. Of the quarter's net sales, just over SEK 7.0 million refers to this order.

The production of the electrochromic film that is used as an input good in production is continuing in-house and under quality controls. The sputtering machines have produced sufficient volumes for the glass lamination and glass deliveries to reach our targets. The goal during the fall is to stabilize production at 200 m² of glass per week in our own factory and, based on this platform, continue to expand the volumes under strict controls in 2022.

There were approximately 5 (10) other ongoing projects in the past quarter, most of which were deliveries of static products and represented around SEK 0.2 (2.5) million of net sales.

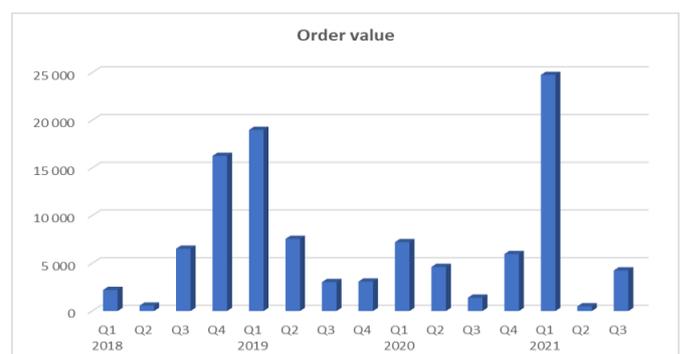
KSEK



The order book increased with add-on orders of around SEK 3.5 million for new components, services and transports in the Gullhaugs Torg order and several smaller static orders during the quarter. We have noted that many customers have been waiting until we were able to confirm deliveries of new glass with material we produced in-house.



KSEK



Sales activities are intensifying now toward new and existing customers as we increase the production capacity.

Work performed for the company's own use and capitalized amounted to SEK 1.3 (0.5) million and refers to the last 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 0.1 (-1.3) million in Q3 2021 and refers to exchange rate fluctuations. The figures from last year included SEK -2.4 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 approximately SEK 0.5 million was included in the amount for Q3 2020.

COST DEVELOPMENT

During the third quarter of the year, the operations were redirected to focus on in-house production and deliveries of glass to customers, which affects the cost structure and the throughput in inventories with work in progress. Inventories with products in progress increased by around SEK 5.7 million during the quarter and will continue to be impacted during the deliveries of the large order to Norway.

As production and deliveries increase, this will impact the costs for raw materials and consumables, which this quarter amounted to SEK 6.6 million compared to SEK 4.4 million in the corresponding period in 2020. Costs during this quarter are related to production with an increase in material consumption. In previous years, costs consisted primarily of material purchases for the static products and subcontractors hired for the installation of the static products at customers.

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 third quarter of the year through reduced operating costs by around SEK +1.5 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.

The provision for redeliveries was unchanged during the quarter and amounted at the end of the period to SEK 21.5 (8.4) million.

Other external costs amounted to SEK 6.2 (5.2) million. The increase in costs of SEK 1.0 million during the quarter compared to the corresponding quarter in 2020 is primarily attributable to temporary personnel for the increased production of glass. In Q3 2020, there were no temporary personnel active in production. Reduced need for consultants and significantly fewer trips before the corona restrictions were partially lifted.

Personnel costs in Q3 2021 amounted to SEK 4.7 million compared to SEK 5.2 million the previous year. There were on average 22 (25) employees in the quarter, which is a decrease of around 3 employees compared to the corresponding period in 2020. There average number of employees (FTEs) in Q3 2021 including temporary personnel and consultants was 37 (29). The lower personnel costs in Q3 2021 are primarily due to reduced wage-related costs.

Depreciation/amortization on fixed assets amounted to SEK 0.5 (1.3) million. During the quarter, one sputtering machine was taken into operation, triggering the start of the 20-year depreciation period. The company applies a production-dependent depreciation method to the sputtering machines. The depreciation is charged at the rate of the produced units.

Otherwise, the decrease is due to some intangible fixed assets and property, plant and

equipment also reaching full depreciation the past year and thus not being included in the depreciation basis for Q3 2021.

ChromoGenics' operating profit/loss for the third quarter of the year improved and amounted to SEK -6.3 (-14.4) million, which is an improvement of SEK 8.1 million compared to Q3 2020. It is ChromoGenics' best result since the company was floated in 2017.

Net financial items for July–September 2021 amounted to SEK -0.9 (-0.7) 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 Q3 2021 amounted thus to SEK -7.3 (-15.1) million, an improvement of SEK +7.9 million compared to the corresponding period in 2020.

CASH FLOW IN Q3

Cash flow from operating activities before changes in working capital amounted to SEK -7.1 million, an improvement of around SEK 6.8 million related to the improved operating profit/loss in the third quarter.

Cash flow from operating activities including the change in working capital amounted to SEK -15.1 (-11.1) million in the third quarter of the year. The negative change in operating capital of SEK -8.0 million is related to the build-up of inventories, including products in progress of SEK 5.7 million in preparation for glass deliveries for the order in Norway and an increase of SEK 2.8 million in accounts receivable following invoicing for the same order.

Net cash flow from investing activities amounted to SEK -5.7 (-3.7) million in Q3 2021. The investments in intangible assets amounted to SEK -1.2 (0.0) million and are related to ongoing process development for a new production line for sputtered film and

product development of wireless control. The acquisition of property, plant and equipment amounted to SEK -4.5 (-3.7) million and refers to the completed installation of Sputter I and the coming development step in Sputter 1 to expand the capacity to the next level in the independent production process.

Net cash flow from financing activities amounted to SEK 0.5 (-0.1) million in Q3 2021. The first utilization period of two for the warrants in series 2020/2022 generated around SEK 0.5 million after issue expenses.

Cash flow for the period amounted to SEK -20.3 million compared to SEK -14.8 million for the corresponding period in 2020.

THE FIRST NINE MONTHS OF 2021

NET SALES

In the first nine months of 2021, net sales amounted to SEK 11.0 (12.6) million, a decrease of SEK 1.6 million compared to same period in 2020.

The production of dynamic glass began on a small scale in May and continued to grow in volume in terms of number of glass and m². Deliveries of both dynamic and static glass for the large order to Gullhaugs Torg in Oslo, Norway, began in September and will continue during the fourth quarter of the year.

The first delivery to a building in Uppsala that received at the end of June the first glass with our in-house sputtered film continued to receive partial deliveries of around SEK 0.5 million. The final delivery is expected to occur in the fourth quarter.

The operations have been redirected to full-scale production and delivery of glass after the mid-year mark and the vacation period. In order to meet the rate of

production of dynamic glass, temporary personnel were hired at the end of May and during the third quarter. Sputter I, which is dedicated to the company's own sputtered film, is being run at slightly reduced capacity so the quality control will be high.

Work performed for the company's own use and capitalized amounted to SEK 3.8 (2.1) 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 development for new products, such as wireless control of the dynamic products.

Other operating income amounted to just under SEK 0.5 (2.4) million in the first nine months of 2021. 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 of SEK 1.8 million was reported in the first nine months as other operating income and was included in the above-mentioned SEK 2.4 million.

COST DEVELOPMENT

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 will create the conditions for controlling the entire process to produce sputtered film in-house. The working hours of many employees were spent testing the functionality and sustainability of the dynamic glass.

After the mid-year mark and the vacation period, the operations were redirected to in-house production and deliveries of glass to customers, which had an impact on the composition of different costs and the implementation of production with material consumption that passes through inventories and work in progress like a normal industrial company. Inventories with products in progress will become a larger part of the operations, and in the most recent quarter increased by around

SEK 5.7 million. It will continue to be exposed in coming months with deliveries of the large order to Norway.

Due to the increase in production and the deliveries to our customers that were carried out in the most recent quarter, costs for raw materials and consumables amounted to SEK 9.5 million compared to SEK 15.5 million the corresponding period in 2020.

The comparability to the previous year is not fully linear since the costs in the period were related to material purchases and subcontractors contracted for the installation of the static products at customers. Even the lower net sales for the first half of 2021 from fewer deliveries contributed to lower material consumption for the first nine months of 2021.

The savings program that was initiated in the spring of 2020 for the operating activities has had a major impact in the first nine months of the year by reducing operating costs by around SEK +22.0 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.

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. The provision for redeliveries was unchanged during the past quarter and amounted at the end of the period to SEK 21.5 (8.4) million.

Other external costs for the first nine months of the year amounted to SEK 34.6 (23.3) 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 the first nine months of 2021 amounted to SEK 15.5 million compared to SEK 19.7 million the previous year. There were on average 23 (31) employees during the first nine months of the year, which is a decrease of one-fourth compared to the corresponding period in 2020. There were 25 employees as per September 30, 2021. The lower costs during the first nine months of 2021 are primarily due to fewer employees, which decreased wage-related costs by around 20 percent.

Depreciation/amortization on fixed assets amounted to SEK 1.5 (4.5) million. This decrease is due to the full depreciation over the past year of some intangible fixed assets and property, plant and equipment, which are thus not included in the depreciation basis for the first nine months of 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 approximately SEK 0.5 million lower for the first nine months of the year. The plan was that the sputtering machines would be brought into operation earlier in the year but also resulted in lower depreciation for the period by around SEK 1 million.

ChromoGenics' operating profit/loss for the first nine months of the year improved by SEK +3.7 million compared to the same period in 2020 and amounted to SEK - 44.9 (-48.6) million. After deducting the provision for redeliveries, the operating loss amounted to SEK -27.7 million, or a reduction of the deficit by almost 43 percent compared to the first nine months of 2020.

Net financial items for the period January–September 2021 amounted to SEK -2.8 (-4.9) 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 first nine months of 2021 amounted thus to SEK -47.7 (-53.5) million, an improvement of SEK 5.8 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 23.0 million compared to the corresponding period in 2020.

CASH FLOW FOR FIRST NINE MONTHS OF 2021

The cash flow for the first nine months from the operating activities before the change in working capital amounted to SEK -46.2 million compared to SEK -49.1 million for the corresponding period in 2020.

The cash flow from the operating activities including the change in working capital amounted to SEK -50.9 (-49.3) million for the first nine months of the year and is primarily related to the deficit in the operating profit as per September 30, the capital tie-up in inventories, and invoicing to customers at the end of September.

Net cash flow from investing activities amounted to SEK -14.6 (-16.7) million in Q3 2021. The investments in intangible assets amounted to SEK -4.3 (0.0) million and are related to ongoing process development for a new production line for sputtered film and product development of wireless control. The acquisition of property, plant and equipment amounted to SEK -10.3 (-16.7) million and refers to the completed installation of Sputter I and the coming development step in Sputter 1 to expand the capacity to ongoing level in its specific production process.

Net cash flow from financing activities amounted to SEK 0.3 (62.5) million in the first nine months of 2021. The first utilization period of two for the warrants in series 2020/2022 generated around SEK 0.5 million after issue expenses. During the period January–September 2020, a rights issue was completed on March 4, 2020, and raised SEK 62.5 million net for the company after issue expenses.

Cash flow for the period amounted to SEK

-65.2 million compared to SEK -3.5 million for the corresponding period in 2020.

FINANCIAL POSITION

The balance sheet total at the end of the period on September 30, 2021, amounted to SEK 179.7 (139.9) million, an increase of SEK 39.8 million in twelve months. The company's fixed assets increased by SEK 14.0 million compared to one year ago, primarily attributable to the ongoing investment in new sputtering machines and product development. In current assets, inventories, accounts receivable and current receivables increased by SEK 18.9 million the past twelve months, primarily due to ongoing production for the GT-5 order that will be delivered in the coming quarter and invoicing for the first partial deliveries of the same order.

Cash and cash equivalents amounted to SEK 28.2 million on September 30, 2021, compared to SEK 21.3 million on September 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 65.2 million the past nine months.

Equity at the end of the period amounted to SEK 73.5 million, of which restricted equity amounted to SEK 5.2 million and unrestricted equity to SEK 68.3 million. For the same period in 2020, equity amounted to SEK 51.5 million.

Adjusted equity considering two conditional loans from the Swedish Energy Agency amounted to SEK 121.1 million compared to the opening balance for the year of SEK 168.5 million and for one year ago of SEK 111.0 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 59.9 (56.0) million as per September 30, 2021.

The current liabilities amounted on the balance sheet date to SEK 42.3 (27.4) million. The equity/assets ratio amounted to 64.8 (64.4) percent as per September 30, 2021.

INVESTMENTS

The investments in the first nine months of 2021 amounted to SEK -14.6 (-16.7) million, of which SEK -4.3 (0.0) million refers to intangible assets associated with the product development of wireless control of the dynamic glass and the installation of a new business system. The acquisition of property, plant and equipment amounted to SEK -10.3 (-16.7) million and for both years refers 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 Q3 2021 amounted to 22 (25). There were on average 37 (29) employees (FTEs), including temporary staffing and consultants, in Q3 2021 compared to 36 in Q2 2021. There were 25 employees at September 30, 2021, compared to 24 at December 31, 2020.

SHARE CAPITAL

The most recent change in the share capital was registered on September 30, 2021, after the first completed utilization period of two for the warrants in series 2020/2022:1 that ChromoGenics issued in conjunction with a rights issue at the end of 2020. The second period will be March 16–31, 2022, and one warrant is entitled to subscription of one (1) new share in ChromoGenics at a subscription price corresponding to eighty (80) percent of

the volume-weighted average price paid for the ChromoGenics share on Nasdaq First North Growth Market during the period February 28–March 11, 2022, although no less than SEK 8.00 and no more than SEK 12.00.

The issue raised approximately SEK 0.5 million for the company before issue expenses. Through the utilization of the warrants, the number of shares in ChromoGenics increased by 61,576, and the number of shares after the new share issue amounts to 17,037,595. The share capital amounts to SEK 3,407,519.00 with a quotient value of SEK 0.20.

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 September 30, 2021, are presented below:

Shareholders per 2021-09-30	Ordinary shares	Votes and capital
Danske Bank International S.A.	1 285 246	7,54%
Försäkringsaktiebolaget, Avanza Pension	1 126 099	6,61%
RGG-ADM Gruppen	874 955	5,14%
Midroc Invest AB	692 293	4,06%
Nordnet Pensionsförsäkring	524 166	3,08%
Formue Nord Markedsneutral A/S	417 771	2,45%
Bengt Josefsson Utvecklings AB	320 000	1,88%
Färna Invest AB	300 000	1,76%
Commerzbank AG, W8IMY	276 776	1,62%
SEB Pank AS, NQI	209 975	1,23%
OTHERS	11 010 314	64,62%
TOTALT	17 037 595	100,0%

Source: Euroclear AB

According to Euroclear, there were 6,474 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 28.2 million on September 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 was conducted in November–December 2020 and contained units with 5 shares and 2 warrants that increased liquidity by raising net 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 37 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

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
November 18, 2022	Interim Report January–September 2022

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, November 12, 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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About ChromoGenics

ChromoGenics is a proptech company that produces dynamic glass for real estate. The company's product ConverLight® Dynamic, controls indoor comfort with high daylight transmission, great view and solar heat blocking and thereby reduces cost 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, so long shipments of bulky glass can be avoided. ChromoGenics also offers static glass, ConverLight® Static, and the ConverLight® Energy facade glass solution. ChromoGenics' stock was listed on Nasdaq First North Growth Market in 2017 and has supplied glass technology to several major real estate companies.

ChromoGenics originates from world-leading research at Ångströmlaboratoriet at Uppsala University. The company's production facility in Uppsala has been partially financed with conditional loans from Energimyndigheten (Energy Authority) in Sweden. ChromoGenics' share (CHRO) is listed on Nasdaq First North Growth Market with Erik Penser Bank as Certified Adviser: certifiedadviser@penser.se. <http://www.chromogenics.com>

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 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2021 Jan-Sep	2020 Jan-Dec
Net sales	7 734	3 460	11 032	12 648	14 616
Change in inventories of products in progress	2 669	-982	1 146	-2 557	-2 365
Capitalized own work	1 281	511	3 750	2 083	4 886
Other operating income	127	-1 272	472	2 439	682
Gross operating income	11 811	1 717	16 400	14 613	17 819
Raw materials and consumables used	-6 645	-4 407	-9 545	-15 522	-16 996
Other external costs	-6 188	-5 217	-34 560	-23 259	-27 305
Personnel costs	-4 692	-5 168	-15 427	-19 702	-25 007
Depreciation of intangible assets and tangible assets	-570	-1 276	-1 507	-4 455	-4 982
Other operating expenses	-65	-69	-285	-301	-302
Total operating expenses	-18 160	-16 137	-61 324	-63 239	-74 592
Operating income	-6 349	-14 420	-44 924	-48 626	-56 773
Interest income	23	20	89	57	67
Interest expenses	-925	-731	-2 898	-4 980	-5 769
Total result of financial items	-902	-711	-2 809	-4 923	-5 702
Operating income after financial items	-7 251	-15 131	-47 733	-53 549	-62 475
Tax	0	0	0	0	0
Net income	-7 251	-15 131	-47 733	-53 549	-62 475

Balance Sheet

KSEK	2021 30-Sep	2021 30-jun	2020 31-Mar	2020 31-Dec	2020 30-Sep
ASSETS					
Non-current Assets					
Intangible assets	10 182	9 358	8 256	6 851	5 975
Property, plant and equipment	100 621	96 364	93 359	90 839	88 337
Financial assets	2 443	4 348	4 396	4 765	4 975
Total non-current assets	113 246	110 070	106 011	102 455	99 287
Current Assets					
Inventories and work in progress	13 322	7 617	7 054	8 245	7 052
Trade receivables	12 758	9 936	10 404	2 225	2 659
Other current receivables	12 145	10 770	10 817	7 518	9 614
Cash and cash equivalents	28 214	48 495	69 182	93 390	21 302
Total current assets	66 439	76 818	97 457	111 378	40 627
TOTAL ASSETS	179 685	186 888	203 468	213 833	139 914
EQUITY AND LIABILITIES					
Equity					
<i>Restricted equity</i>					
Share capital	3 408	3 395	3 395	3 395	1 415
Fund, development expenses	1 779	1 779	1 779	1 779	738
<i>Non-restricted equity</i>					
Share premium reserve	650 340	649 880	649 884	650 036	573 678
Accumulated profit/loss	-534 282	-534 281	-534 281	-471 806	-470 766
Operating income for the period	-47 733	-40 482	-10 691	-62 475	-53 549
Total equity	73 512	80 291	110 086	120 929	51 516
Liabilities					
Non-current liabilities					
Non-current interest-bearing liabilities ¹⁾	59 939	59 012	58 094	57 010	56 013
EU contribution	3 959	6 343	6 343	6 343	4 975
Total non-current liabilities	63 898	65 355	64 437	63 353	60 988
Current liabilities					
Current interest-bearing liabilities ¹⁾	0	0	0	0	1 868
Trade payables	11 145	6 728	7 363	8 149	4 449
Other current liabilities	31 130	34 514	21 582	21 402	21 093
Total current liabilities	42 275	41 242	28 945	29 551	27 410
TOTAL EQUITY AND LIABILITIES	179 685	186 888	203 468	213 833	139 914

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

Statement of Cash Flows

KSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
OPERATING ACTIVITIES					
Profit/loss before tax	-6 349	-14 420	-44 924	-48 626	-56 773
Financial income and expenses	-902	-711	-2 809	-4 923	-5 702
<i>Adjustments for non-cash items:</i>					
Contribution from EU	-417	0	0	-	1 578
Capital gain sold fixed assets	0	0	0	-5	17
Depreciation/amortization and impairment	570	1 276	1 507	4 455	4 982
Cash flow from operating activities before changes in working capital	-7 098	-13 855	-46 226	-49 099	-55 898
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	-5 705	1 410	-5 077	-303	-1 496
Increase(-)/decrease(+) trade receivables	-2 822	552	-10 533	4 655	5 089
Increase(-)/decrease(+) current receivables	947	2 441	-2 305	1 957	3 579
Increase(+)/decrease(-) trade payables	4 417	-3 367	2 996	-12 309	-13 442
Increase(+)/decrease(-) current liabilities ¹⁾	-4 841	1 724	10 273	5 810	12 424
Cash flow from changes in working capital	-8 004	2 760	-4 646	-190	6 154
Cash flow from operating activities	-15 102	-11 095	-50 872	-49 289	-49 744
INVESTING ACTIVITIES					
Acquisition of intangible assets	-1 153	0	-4 284	0	-1 220
Acquisition of property, plant and equipment	-4 498	-3 665	-10 336	-16 758	-19 465
Sale of property, plant and equipment	0	0	0	40	40
Cash flow from investing activities	-5 651	-3 665	-14 620	-16 718	-20 645
FINANCING ACTIVITIES					
New share issue	472	-58	316	62 459	140 798
Repayment of debt	0	0	0	0	-1 869
Cash flow from financing activities	472	-58	316	62 459	138 929
CASH FLOW FOR THE PERIOD	-20 281	-14 818	-65 176	-3 548	68 540
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	48 495	36 120	93 390	24 850	24 850
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	28 214	21 302	28 214	21 302	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	60 991		15 247		76 238
New share issue fees			-13 779		-13 779
Fund for development expenses					0
Decrease of share capital	-140 052		140 052		0
Operating income for the period				-53 549	-53 549
Equity 30 Sep 2020	1 415	738	573 678	-524 315	51 516

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	12		480		492
New share issue fees			-176		-176
Operating income for the period				-47 733	-47 733
Equity 30 Sep 2021	3 407	1 779	650 341	-582 016	73 512

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 121.1 million as per September 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 BFAR 2012:1, Annual Accounts and Consolidated Accounts (K3). The company applies a production dependent depreciation method regarding the Sputter machines. The depreciation takes place in step with produced units. Otherwise the accounting principles have not changed compared to the previous year.

Income Statement per isolated quarter

KSEK	2020	2020	2020	2020	2021	2021	2021
	Iso. Q1	Iso. Q2	Iso. Q3	Iso. Q4	Iso. Q1	Iso. Q2	Iso. Q3
Net sales	5 194	3 994	3 460	1 968	1 616	1 682	7 734
Change in inventories of products in progress	-314	-1 261	-982	192	-314	-1 209	2 669
Capitalized own work	958	614	511	2 803	1 320	1 149	1 281
Other operating income	854	2 857	-1 272	-1 757	69	276	127
Gross operating income	6 692	6 204	1 717	3 206	2 691	1 898	11 811
Raw materials and consumables used	-6 319	-4 796	-4 407	-1 474	-1 595	-1 305	-6 645
Other external costs	-9 557	-8 485	-5 217	-4 046	-5 077	-23 295	-6 188
Personnel costs	-7 640	-6 894	-5 168	-5 305	-5 147	-5 588	-4 692
Depreciation of intangible assets and tangible assets	-1 687	-1 492	-1 276	-527	-481	-456	-570
Other operating expenses	-208	-24	-69	-1	-165	-55	-65
Total operating expenses	-25 411	-21 691	-16 137	-11 353	-12 465	-30 699	-18 160
Operating income	-18 719	-15 487	-14 420	-8 147	-9 774	-28 801	-6 349
Interest income	8	29	20	10	33	33	23
Interest expenses	-768	-3 481	-731	-789	-950	-1 023	-925
Total result of financial items	-760	-3 452	-711	-779	-917	-990	-902
Operating income after financial items	-19 479	-18 939	-15 131	-8 926	-10 691	-29 791	-7 251
Tax	0	0	0	0	0	0	0
Net income	-19 479	-18 939	-15 131	-8 926	-10 691	-29 791	-7 251

Average number of shares before dilution ¹⁾ /split or of shares 100:1	5 548 573	7 073 342	7 073 342	7 073 342	7 073 342	7 073 342	7 073 342
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	12 055 469
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	17 037 595
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	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	2 812 623
Earnings per share before dilution, SEK ¹⁾	-3,51	-2,68	-2,14	-1,26	-1,51	-4,21	-1,03
Earnings per share after dilution, SEK ¹⁾	-3,51	-2,68	-2,14	-0,66	-0,80	-2,22	-0,60

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.

⁴⁾ In September 2021, 61,576 warrants were exercised to subscribe for the same number of shares, which added 61,576 new shares to the company, which increased the numbers of shares to 17,037,595.

⁵⁾ The subscription price of the warrants is less than the current price of the shares as of September 30, 2021

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	2021 Iso. Q3
OPERATING ACTIVITIES							
Profit/loss before tax	-18 719	-15 487	-14 420	-8 147	-9 774	-28 801	-6 349
Financial income and expenses	-761	-3 451	-711	-779	-917	-990	-902
<i>Adjustments for non-cash items:</i>							
Contribution from EU	-	-	-	1 578	369	48	-417
Capital gain sold fixed assets	-	-5	0	22	0	0	0
Depreciation/amortization and impairment	1 687	1 492	1 276	527	481	456	570
Cash flow from operating activities before changes in working capital	-17 793	-17 451	-13 855	-6 799	-9 841	-29 287	-7 098
<i>Cash flow from changes in working capital</i>							
Increase(-)/decrease(+) inventories	-3 976	2 263	1 410	-1 193	1 191	-563	-5 705
Increase(-)/decrease(+) trade receivables	1 798	2 305	552	434	-8 179	468	-2 822
Increase(-)/decrease(+) current receivables	-121	-363	1 967	1 622	-3 299	47	947
Increase(+)/decrease(-) trade payables	-1 772	-7 170	-3 367	-1 133	-786	-635	4 417
Increase(+)/decrease(-) current liabilities	3 083	1 003	2 198	6 614	1 264	13 850	-4 841
Cash flow from changes in working capital	-988	-1 962	2 760	6 344	-9 809	13 167	-8 004
Cash flow from operating activities	-18 781	-19 413	-11 095	-455	-19 650	-16 120	-15 102
INVESTING ACTIVITIES							
Acquisition of intangible assets	0	0	0	-1 220	-1 717	-1 414	-1 153
Acquisition of tangible assets	-7 550	-5 543	-3 665	-2 707	-2 689	-3 149	-4 498
Sale of property, plant and equipment	0	40	0	0	0	0	0
Cash flow from investing activities	-7 550	-5 503	-3 665	-3 927	-4 406	-4 563	-5 651
FINANCING ACTIVITIES							
New share issue	62 708	-191	-58	78 339	-152	-4	472
Repayment of debt	0	0	0	-1 869	0	0	0
Cash flow from financing activities	62 708	-191	-58	76 470	-152	-4	472
CASH FLOW FOR THE PERIOD	36 377	-25 107	-14 818	72 088	-24 208	-20 687	-20 281
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	24 850	61 227	36 120	21 302	93 390	69 182	48 495
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	61 227	36 120	21 302	93 390	69 182	48 495	28 214