

YEAR END REPORT

JANUARY 1 - DECEMBER 31, 2023

Q4
2023

CLIMEON IN PRODUCTION AND DELIVERY PHASE - STRENGTHENED FINANCING AND CONTINUED SUCCESS FOR HEATPOWER 300

At the end of the fourth quarter of the year, Climeon signed another order for HeatPower 300 Marine. The order came from a leading global shipping company, which has not yet been publicly disclosed, and they intend to install the modules on two of their existing container ships. This order represents an important breakthrough in the retrofit market where Climeon sees significant potential for the future. The production of the units to be delivered to Termolink for installation at NEO Group's manufacturing facility in Lithuania in 2024 continued as planned. The rights issue that was decided on October 30th was oversubscribed by 111 percent, thus providing the company with approximately 100 million Swedish kronor before deductions for costs attributed to the Rights Issue. These funds will be used to finance deliveries of existing and expected orders, as well as the ongoing commercialization of HeatPower 300.

OCTOBER - DECEMBER

- Order intake amounted to SEK 10.5 million (0.6) .
- Net sales amounted to SEK 1.2 million (9.1) and were primarily attributable to commissioning and aftermarket revenues.
- Operating profit/loss amounted to SEK -25.1 million (-40.5) including SEK -2.0 million (-15.4) of non-recurring, non-cash generating items, mainly attributable to write-downs of inventory.
- Profit/loss after financial items amounted to SEK -36.0 million (-38.9)
- Earnings per share, before and after dilution, amounted to SEK -0.27 (-0.41)
- Cash flow from operating activities after changes in working capital amounted to SEK -27.7 million (-26.6) .

IMPORTANT EVENTS DURING THE PERIOD

- A leading global shipping company, with the aim of increasing energy efficiency on board two of its existing container ships, signs an order for Climeon's HeatPower 300. The order value is approximately EUR 1 million and the HeatPower 300 modules will be delivered to the customer in 2024.
- The first HeatPower 300 module for NEO Group's factory in Lithuania was delivered to Climeon's test facility in Kista after production at Climeon's partner in southern Sweden. Final tests and verification will take place at Climeon before delivery and installation at the customer in 2024.
- Climeon announced that the rights issue decided on October 30 was oversubscribed. A total of 2,180,795 Units were subscribed, corresponding to 111 percent of the issue. The company will thus receive approximately SEK 100 million before costs attributed to the Rights Issue.

JANUARY - DECEMBER

- Order intake amounted to SEK 52.0 million (3.6)
- Net sales amounted to SEK 6.2 million (13.9)
- Order backlog amounted to SEK 80.5 million (37.1)
- Operating profit amounted to SEK -102.6 million (-115.8) , including non-recurring items of SEK -11.2 (-17.4) million.
- Profit/loss after financial items amounted to SEK -135.7 million (-125.9)
- Earnings per share, before and after dilution, amounted to SEK -1.29 (-1.46)
- Cash flow from operating activities after changes in working capital amounted to SEK -90.1 million (-70.7) and total cash and cash equivalents amounted to SEK 77.5 million (139.3) .

POST CLOSING EVENTS

- Climeon and Baseload Capital have entered into an agreement regarding Climeon's ownership in Baseload Capital Holding AB as well as non-commissioned HeatPower 150 modules. The previous order for HeatPower 150 made by Baseload Power Taiwan is also cancelled. The agreement, which is expected to be completed in 2024, does not have any liquidity impact for Climeon beyond a possible future exercise of a call option that Climeon issues regarding its remaining shares in Baseload Capital Holding. Climeon's intention is therefore, over time, to divest its entire ownership in Baseload Capital.

A WORD FROM OUR CEO:



Lena Sundquist, CEO of Climeon

“In 2023, we took significant strides towards our vision by securing important contracts with large and esteemed clients.”

FOURTH QUARTER 2023: STRENGTHENED FINANCIAL POSITION AND ACHIEVED NOTEWORTHY SUCCESS IN THE MARITIME SECTOR FOR HEATPOWER 300

Looking back on 2023, it was a year marked by geopolitical tensions and a turbulent global economy with ongoing high inflation and high interest rates. The urgent need for a transition to a more sustainable future became increasingly apparent. At Climeon, we remain committed to our forward-focused approach, according to our strategic plan. Our vision is that through our HeatPower products, we can contribute to reducing global carbon emissions and accelerating the use of sustainable electricity, thereby contributing to a greener and more sustainable world.

In 2023, we took several steps towards our vision. We were able to secure important contracts with large and respected customers. The customer projects in the maritime market are within our focus areas – that is, both newly built ships, where Climeon's HeatPower 300 is integrated from the beginning of the construction process and retrofit projects where the units are integrated on existing vessels. In both cases, Climeon's HeatPower 300 helps shipowners and shipyards to improve energy efficiency, reduce fuel consumption, and decrease carbon emissions. We primarily target vessels that generate large amounts of thermal energy, such as container and cruise ships, where Climeon's product can save significant amount of fuel and reduce carbon emissions.

In July 2023, Hyundai Heavy Industries, one of the world's largest shipyards, ordered HeatPower 300 for Maersk's new series of container ships. More recently, in December, we announced another order from a leading global player, this time for HeatPower 300 units to be installed on two existing container ships. This was a breakthrough for us in the important retrofit market. Our marine sales team is currently working with several important maritime countries and, along with prospective agents, has participated in maritime exhibitions in South Korea and China to establish contacts with new customers and deepen cooperation with existing ones. We are also meeting potential customers in key regions in Europe and Asia, as well as in the American market. There are numerous customer projects that we are actively working on and will provide more information on as soon as possible. Interest in what we do is both significant and growing.

In the energy and industrial sectors, our primary focus is on selected European countries, with an emphasis on industrial applications and energy companies, such as power plants and geothermal projects. The key is that the technical prerequisites match our product platform, and that we can create projects that are profitable for both the customers and our company. We are working on several projects, both those that we are striving to move forward with in 2024 and other further down the line.

On the home front, we continued to improve our production and supply chain, with a focus on ensuring timeliness and quality for the customer projects we have already undertaken, while also preparing for the projects we are currently working to secure. For HD Hyundai Heavy Industries, we have placed purchase orders for the necessary components and carried out our planning to ensure on-time deliveries. Regarding our industrial customer, Termolink in Lithuania, we have successfully completed production, and the first module has been delivered to Climeon's testing facility. Final testing is now underway before delivery to the customer. In short, Climeon is now transitioning from development and design to delivery and production. At the same time, I want to emphasize that our development work continues. We will continue to improve our product to always stay at the forefront in order to be able to meet future competition.

During the fall, we also worked intensively on strengthening our financing and liquidity. Fortunately, our rights issue was oversubscribed, providing the company with approximately 100 million Swedish kronor before deductions for costs attributable to the Rights Issue. As previously communicated, we have also paid off all bank loans. In addition, we have consistently reduced our operating expenses over the past two years and have now established ourselves at a level that we intend to maintain in the coming year. As part of the rights issue in the fall, we also issued options that can be exercised by respective holders in June, potentially providing an additional capital injection.

In summary, it is very gratifying to note that we were able to conclude 2023 in a fantastic way with both an oversubscribed rights issue and customer orders for existing container ships - all while ongoing customer projects continued to progress as planned. I want to extend a big thank you to the entire Climeon team for our collective success in this, and to all of our shareholders who believe in us and participated in the issuance. Now, we move forward with even higher ambitions and goals for an even more successful 2024.

Lena Sundquist, CEO, Climeon



MARKETS AND DEVELOPMENT

In 2023, Climeon took several significant steps in its ongoing commercialization process for the company's product platform, HeatPower 300, within the maritime, energy and industrial markets, as well as in technology development and production:



MARITIME MARKET

At the end of December 2023, Climeon announced an order from an undisclosed global shipping company for HeatPower 300 modules intended for two of their existing container ships. This order marked a significant breakthrough in the retrofit market, which is a high priority for Climeon and holds great potential for the company's future. The order is valued at approximately one million euros, and the modules are scheduled for delivery in 2024.

During the quarter, Climeon participated in maritime exhibitions such as Kormarine in Busan, South Korea, and Marintec China in Shanghai. Climeon has initiated and will continue to build a network of local agents in selected maritime countries globally, aiming to establish a strong local presence in key shipping and shipyard nations.

Earlier in the year, in late July 2023, HD Hyundai Heavy Industries (HD-HHI), one of the world's largest shipbuilders, placed an order worth 2.5 million euros for Climeon's HeatPower 300 system. These modules are set to be delivered to the shipyard in 2024 for installation on six of AP Möller-Maersk's new container vessels.

The customer orders received for HeatPower 300, both for newly constructed and existing vessels, reflect a growing demand in the maritime market for solutions that reduce fuel consumption, lower carbon emissions, and cut costs. Simultaneously, there is a need for new technology to meet increasingly stringent requirements from authorities and international maritime organizations for improved energy efficiency and reduced carbon emissions.

Climeon's sales focus is directed not only towards shipowners and shipyards but also towards other stakeholders within the maritime industry, such as architect and design companies. The HeatPower 300 product platform is designed to meet all the requirements set by players in the maritime market. This means that HeatPower 300 must not only comply with all relevant marine certification and classification requirements but also be easy to install and integrate into both new and existing vessels. Additionally, shipowners typically expect a payback period of no more than five years through reduced fuel costs and carbon emissions in relation to the cost of the product, installation, and operational expenses.

The work on the installation, commissioning, as well as service and maintenance of HeatPower 150 systems onboard existing customer vessels continues according to plan.



ENERGY AND INDUSTRIAL MARKET

The HeatPower 300 modules that will be delivered in 2024 for the installation carried out by Termolink on behalf of the PET resin manufacturer NEO Group in Lithuania have been produced and will undergo final testing at Climeon before being delivered to the customer. Once in place at NEO Group in 2024, they will contribute to increased energy efficiency and, as a result, improved profitability in the customer's production, along with reduced environmental impact. The order from Termolink generated increased interest from various industrial sectors during the fall and winter, as well as from players in the energy production sector, including power plants and geothermal projects.

The power plant project being conducted by Climeon's British partner, Landmark Power Holdings, has faced delays, as previously communicated, due to the general contractor responsible for construction applying for voluntary liquidation. Landmark Power Holdings is working on a solution to complete the project. The implications of the delay for Climeon's work and outstanding customer receivables remain unclear and unchanged compared to September 30, 2023.

Climeon is currently focusing its market efforts in the energy and industrial sectors on Europe. In this region, Climeon continues to observe high electricity prices, a strong emphasis on energy efficiency, and a push towards more sustainable solutions with reduced reliance on fossil fuels. Climeon's focus areas within energy and industry are primarily industrial applications and energy projects in the form of either power plants or geothermal projects. The important thing is that the technical conditions fit our product platform and that we can create projects that are efficient and profitable for both the customers and for us as a company.

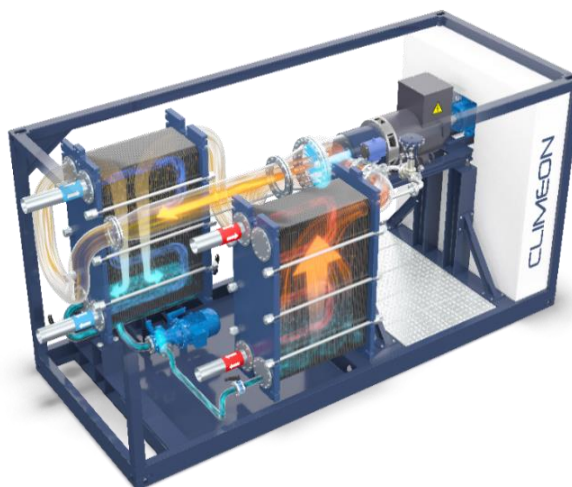




PRODUCT AND TECHNOLOGY

HeatPower 300 is a product platform that can be tailored to meet specific customer requirements. The platform's performance has now been verified, and during the quarter, the development team, in collaboration with the company's production partners, ensured the production of the initial modules. This was achieved through the completion of detailed production documentation and ongoing monitoring of production processes to enhance product quality and cost-effectiveness. Climeon is now in a more production and delivery-oriented phase.

The development work on future variants within the HeatPower 300 platform has continued to address the various requirements anticipated in upcoming customer projects. Additionally, efforts continued on CE marking, adaptation to the Grid Codes applicable for connecting equipment to European power grids, and ensuring compliance with the requirements of maritime classification societies and organizations. In the latter case, Climeon aims to have the product approved by all relevant maritime classification societies for anticipated new orders. Currently, the company holds approvals from Lloyd's, Det Norske Veritas, and the American Bureau of Shipping.



PRODUCTION

During the quarter, Climeon continued its efforts to develop and strengthen collaborations with suppliers and other partners. The aim is to ensure the efficiency of both material supply and the supply chain, which is increasingly crucial as Climeon's order book grows. Production of the HeatPower 300 units, scheduled for delivery to Termolink in the first half of 2024, has been completed, and the modules are now undergoing final testing at Climeon's facility in Kista before being sent to the customer for installation at NEO Group's production facility.

In the work on modules destined for the shipyard HD Hyundai Heavy Industries (HD-HHI) for installation in Maersk's new series of container vessels, the focus during the quarter was on production planning, documentation, component procurement, and the customer's approval of project-specific product documentation. Planning has also commenced for the manufacture of modules for installation in two existing container vessels belonging to an as-yet-unannounced global player in sustainable shipping.

EXTERNAL IMPACT

Currently, Climeon is not directly affected by ongoing geopolitical conflicts worldwide. The company closely monitors developments and takes proactive measures to minimize any potential negative impacts.

ORDER ENTRY AND ORDER BACKLOG

During the fourth quarter of 2023, a new order was signed with a global shipowner for two modules worth approximately EUR 1 million. At the end of the period, the order backlog amounted to SEK 80.5 million (37.1), corresponding to 18 (9) HeatPower modules and associated services. Other changes in the order backlog for the quarter consisted primarily of the delivery of service and support to existing maritime customers and exchange rate fluctuations. The order backlog consists largely of orders denominated in euros, which are revalued at the end of the period.

Post-closing events:

In February 2024, Climeon announced that a SEK -28 million write-down of the company's order backlog was carried out following an order, which was signed in 2020, from a customer in Taiwan regarding the company's previous product generation HeatPower 150. As previously communicated, Climeon has not included any revenue from this order in its current business plan.

THE GROUP'S FINANCIAL DEVELOPMENT

OCTOBER - DECEMBER

NET SALES AND EARNINGS

Net sales amounted to SEK 1.2 million (9.1) and are mainly attributable to commissioning of HeatPower 150 modules and associated services to the company's customers within the marine market.

Operating profit/loss amounted to SEK -25.1 million (-40.5) . The quarter includes approximately SEK -2.0 million (-15.4) in non-recurring items primarily relating to write-down of inventory (SEK -1.8 million). Excluding these items, operating profit is fully in line with previous quarters in 2023.

Costs for raw materials and consumables amounted to SEK -3,5 million (-10.1) of which write-down of inventory of SEK -1.8 million and obsolescence write-downs accounted for the majority of the item.

Net financial income/expenses amounted to SEK -10.9 million (1.6) , whereof SEK -7.8 million (0.0) relates to revaluation of the holding in Baseload Capital. Net financial items in general were affected by a negative exchange rate effect of SEK -3.7 million, mainly related to the development of the Swedish krona against the euro. Of this, SEK -2.7 million pertains to unrealized exchange rate differences.

Profit/loss after financial items amounted to SEK -36.0 million (-38.9) . Depreciations and amortizations amounted to SEK -6.3 million (-11.6) .

CASH FLOW

The cash flow from operating activities *before* change in working capital amounted to -21,4 MSEK (-17,2).

Cash flow from operating activities *after* changes in working capital amounted to SEK -27.7 million (-26.6) , whereof the change in working capital amounted to SEK -6.3 million (-9.4) . The negative change in working capital consisted primarily of an increase in new accounts receivables of approximately SEK 9 million related to new maritime customer projects.

Cash flow from investing activities amounted to SEK -7.8 million (-5.6) , which was mainly related to investments in product development and patents of SEK -7.1 million (-5.5) .

Cash flow from financing activities amounted to SEK 89.9 million (-16.4) and corresponded mainly to the proceeds from the rights issue carried out less costs for its implementation.

Cash flow for the quarter thus amounted to SEK 54.4 million (-48.3) where the rights issue proceeds mentioned above was the single major deviation compared to the corresponding period of the previous year.

JANUARY - DECEMBER

NET SALES AND EARNINGS

Net sales amounted to SEK 6.2 million (13.9) and were mainly attributable to the delivery and commissioning of HeatPower modules as well as service and aftermarket revenues.

Operating profit/loss for the period amounted to SEK -102.6 million (-115.8) . Non-recurring items during the period amounted to SEK -11.2 (-17.4) million. Total operating expenses, excluding raw materials and consumables and non-recurring items, decreased by approximately 11% during the period compared to the corresponding period last year, which had a positive impact on operating profit.

Net financial income/expense amounted to SEK -33.1 million (-10.1) of which the revaluation of the holding in Baseload Capital accounted for SEK -28.8 million (-9.1) . Profit/loss after financial items amounted to SEK -135.7 million (-125.9) . Depreciations and amortizations amounted to SEK -25.8 million (-33.9) .

CASH FLOW

Cash flow from operating activities *after* change in working capital amounted to SEK -90.1 million (-70.7) whereof the change in working capital amounted to SEK -20.6 million (-0.5) . The negative development of working capital is mainly attributable to supplier advances and increased accounts receivable.

Cash flow from investing activities amounted to SEK -22.4 million (-37.1) , which was mainly related to product development and patents of SEK -23.0 million (-34.4) .

Cash flow from financing activities amounted to SEK 50.8 million (95.2) . The item includes amortizations of bank loans including interest of SEK -37.3 million (-26.1), as well as received rights issue proceeds of 91.2 (136.6).

Cash flow for the period amounted to SEK -61.7 million (-12.6) .

FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 77.5 million (139.3) . The equity ratio amounted to 76.4 percent (74.8) and the net debt ratio amounted to -0.3 times (-0.4) . Shareholder's equity amounted to SEK 323.8 million (365.2) or SEK 1.5 (3.8) per share.

DEFERRED TAX ASSET

The company has unutilized deficit carryforwards in Sweden amounting to SEK 798.8 million (698.2) , of which the tax effect has not been recognized as a deferred tax asset in the balance sheet. The deductions have no time limit for utilization.

THE PARENT COMPANY

The parent company's net sales during the period amounted to SEK 6.2 million (12.8) . Operating profit/loss amounted to SEK -102.2 million (-112.4) and profit/loss after financial items amounted to SEK -133.7 million (-120.7)

OTHER INFORMATION

FINANCIAL CALENDAR

Interim Report of the 4th quarter
2023

February 6th, 2024

Annual Report 2023

April 18th, 2024

Interim Report of the 1st quarter
2024

May 7th, 2024

Annual General Meeting 2024

May 15th, 2024

Interim Report of the 2nd quarter
2024

July 12th, 2024

Interim Report of the 3rd quarter
2024

November 5th, 2024

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This report contains information Climeon AB (publ) is required to publish in accordance with the EU Market Abuse Regulation.

The information was published, through the care of the above contact persons, for publication February 6, 2024, at 07:30 (CET).

After publication, the report is available on the company's website, www.climeon.com

PERSONNEL AND ORGANIZATION

The average number of employees during the period of October to December amounted to 40 (43), of which 29 (26) percent are women and 71 (74) percent men. At the end of December, the number of employees amounted to 41 (41). In addition to the parent company Climeon AB (publ), the group also includes the subsidiaries Climeon Japan K.K. in Japan as well as Climeon Taiwan Inc. in Taiwan.

WARRANT PROGRAMS

The purpose of share incentive programs is to encourage an ownership interest in the company through a long-term financial interest, and subsequently to strengthen the bonds between the shareholders and the employees. Over the years, Climeon has established several share incentive programs based on capital-taxed warrants. As of December 31, 2023, the company has two outstanding warrant programs as shown below.

The 2023/2026 warrant program was decided at the 2023 annual general meeting and the allocation of warrants was approved in August 2023. Additional information regarding the warrant programs can be found on page 72 of the annual report for 2022 and on the company's website.

Warrants program	Number of warrants	Number of new B-shares	Issue price	Subscription period
Program 2022/2025	997 500	1 117 200	16,68	Sept 1st - Sept 30th 2025
Program 2023/2026	1 798 600	1 798 600	6,18	Sept 1st - Sept 30th 2026
Total	2 796 100	2 915 800		

In addition to the above, the Company has also issued warrants as part of the rights issue which was completed in the fourth quarter of 2023. See page 13 for further information.

MATERIAL RISKS AND UNCERTAINTIES

As a relatively newly founded company with a limited number of Heat Power systems in operation, the company is exposed to several operational and financial risks. A presentation of the company's significant risks and risk management can be found on pages 43-45 in the 2022 annual report as well as in the prospectus for the rights issue from 2023 that can be found on the company's website.

Going concern

After approval from the extraordinary general meeting in October 2023, the board decided to carry out a fully guaranteed rights issue of units for an initial amount of SEK 100 million. The issue, which was completed during the fourth quarter, was subscribed to 111% and the company was thus provided with approximately SEK 100 million before issue costs. The subscription period for the warrants that were part of a unit is June 3–17, 2024, and the subscription price will be set at 70 percent of the volume-weighted average price for the Company's B share during the measurement period May 20–31, 2024. Against the background of this, the current liquidity is therefore deemed to be sufficient to conduct the business during the coming twelve-months period.

ADDITIONAL INFORMATION DUE TO GEOPOLITICAL CONFLICTS

Today, Climeon is not directly affected by the various geopolitical conflicts going on in the world, including the increased uncertainties in the Middle East and the Red Sea. The company follows developments and acts to prevent any negative effects as far as possible.

COMPARATIVE FIGURES

Comparative figures for income statement items and order intake refer to the corresponding period of the previous financial year. Comparative figures for balance sheet items and order backlog refer to the end of the previous fiscal year.

RELATED-PARTY TRANSACTIONS

No transactions between Climeon and related parties that affected the financial status of the Group have been taken place during the period.

SEASONAL EFFECTS

Presently, there appears to be no significant seasonal variations in Climeon's sales.

OTHER INFORMATION

This report has been published in a Swedish and an English version. The Swedish version shall prevail in the event of differences between the two.

FINANCIAL REPORTS IN SUMMARY

CONSOLIDATED INCOME STATEMENT

SEK, thousand	Note	Oct-Dec		Jan-Dec	
		2023	2022	2023	2022
Net sales	2	1,218	9,078	6,186	13,932
Capitalized work for own account		2,702	2,449	9,743	8,911
Other operating income		60	123	3,135	146
Total income		3,981	11,651	19,064	22,990
Operating expenses					
Raw material and consumables		-3,462	-10,052	-12,594	-12,226
Other external expenses		-5,041	-18,048	-29,435	-40,442
Personnel expenses		-14,250	-12,402	-51,366	-52,264
Depreciation and amortization		-6,290	-11,614	-25,845	-33,864
Other operating expenses		-8	-	-2,406	-7
Operating profit/loss		-25,070	-40,465	-102,580	-115,812
Profit/loss from financial items					
Net financial income	5	-10,905	1,591	-33,115	-10,093
Profit/loss after financial items		-35,975	-38,874	-135,696	-125,905
Tax		-13	-4	-73	12
Profit/loss for the period		-35,988	-38,877	-135,769	-125,893
Earnings per share, SEK					
Before dilution		-0.27	-0.41	-1.29	-1.46
After dilution		-0.26	-0.41	-1.26	-1.46

SEK, thousand	Note	Oct-Dec		Jan-Dec	
		2023	2022	2023	2022
Profit/loss for the period		-35,988	-38,877	-135,769	-125,893
Other comprehensive profit/loss for the period					
Translation differences		520	-451	2,221	-166
Other comprehensive profit/loss for the period		520	-451	2,221	-166
Comprehensive income/loss for the period		-35,467	-39,328	-133,548	-126,058
Comprehensive income/loss for the period attributable to Shareholders of the parent company		-35,467	-39,328	-133,548	-126,058

CONSOLIDATED BALANCE SHEET

SEK, thousand	Note	31 Dec 2023	31 Dec 2022
Assets			
Intangible non-current assets	3	125,512	117,760
Tangible non-current assets	4	23,481	34,294
Financial assets	5	72,928	104,249
Total non-current assets		221,921	256,303
Inventories		44,353	48,250
Accounts receivable		23,899	11,272
Other current receivables	6	56,250	33,076
Cash and cash equivalents		77,550	139,341
Total current assets		202,051	231,939
Total Assets		423,972	488,242
Equity and liabilities			
Share capital		3,238	1,427
Other contributed capital		1,104,074	1,103,038
Retained earnings		-647,702	-613,385
Profit/loss for the period		-135,769	-125,893
Total shareholder's equity		323,841	365,187
Other provisions		7,070	7,886
Total provisions		7,070	7,886
Other non-current liabilities		22,493	22,822
Total non-current liabilities		22,493	22,822
Advance payments from customers		26,755	15,682
Accounts payable		21,384	12,149
Other current liabilities		22,430	64,516
Total current liabilities		70,568	92,347
Total equity and liabilities		423,972	488,242

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Statement of changes in total equity	Contributable to the parent company's owners			Total equity
	Share capital	Other contributed capital	Retained earnings incl profit/loss for the period	
Opening balance equity 2023-01-01	1,427	1,103,038	-739,277	365,187
Comprehensive profit/loss				
Profit/loss for the period	-	-	-135,769	-135,769
Other comprehensive profit/loss for the period				
Translation differences	-	-	2,221	2,221
Other comprehensive profit/loss for the period:	-	-	2,221	2,221
Total comprehensive profit/loss	-	-	-133,548	-133,548
Transactions with share holders:				
Rights issue	1,811	89,347	-	91,158
Warrants	-	1,044	-	1,044
Sum of transactions with shareholders	1,811	90,390	-	92,201
Closing balance equity Sunday-12-31	3,238	1,193,428	-872,825	323,841

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Statement of changes in total equity	Contributable to the parent company's owners			Total equity
	Share capital	Other contributed capital	Retained earnings incl profit/loss for the period	
Opening balance equity 2022-01-01	892	964,689	-613,219	352,362
Comprehensive profit/loss				
Profit/loss for the period	-	-	-125,893	-125,893
Other comprehensive profit/loss for the period				
Translation differences	-	-	-166	-166
Other comprehensive profit/loss for the period:	-	-	-166	-166
Total comprehensive profit/loss	-	-	-126,058	-126,058
Transactions with share holders:				
Rights issue	535	138,269	-	138,804
Warrants	-	80	-	80
Sum of transactions with shareholders	535	138,349	-	138,884
Closing balance equity 2022-12-31	1,427	1,103,038	-739,277	365,187

CONSOLIDATED CASH FLOW STATEMENT

SEK, thousand	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Operating activities				
Operating profit/loss	-25,070	-40,465	-102,580	-115,812
Adjustments for items not included in cash flow	6,805	24,585	35,233	46,399
Financial items	-3,142	-1,271	-2,092	-788
Cash flow from operating activities before changes in working capital	-21,406	-17,151	-69,439	-70,201
Change in working capital	-6,266	-9,417	-20,642	-509
Cash flow from operating activities	-27,672	-26,568	-90,082	-70,710
Investing activities				
Investments in intangible assets	-7,091	-5,533	-22,952	-34,379
Investments in tangible assets	-855	-431	-1,894	-3,647
Change in financial assets	177	395	2,410	899
Cash flow from investing activities	-7,769	-5,569	-22,436	-37,127
Cash flow after investing activities	-35,441	-32,137	-112,518	-107,837
Financing activities				
Change in short-term debt	-1,420	-16,353	-41,490	-43,695
Share issue	91,215	-	91,215	138,804
Premiums paid for warrants	57	2	1,044	80
Cash flow from financing activities	89,852	-16,351	50,769	95,189
Cash flow for the period	54,411	-48,324	-61,749	-12,648
Cash and cash equivalents at the beginning of the period	23,148	187,650	139,341	151,984
Exchange rate differences in cash and cash equivalents	-9	15	-43	5
Cash and cash equivalents at the end of the period	77,550	139,341	77,550	139,341

PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK, thousand	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales	1,218	8,823	6,186	12,758
Capitalized work for own account	2,702	2,449	9,743	8,911
Other operating income	60	123	3,135	146
Total income	3,981	11,396	19,064	21,815
Operating expenses				
Raw material and consumables	-3,463	-9,944	-12,549	-11,987
Other external expenses	-6,384	-19,043	-34,788	-44,536
Personnel expenses	-14,254	-12,138	-51,042	-49,444
Depreciation and amortization	-4,907	-10,444	-20,443	-28,276
Other operating expenses	-0	-	-2,398	-7
Operating profit/loss	-25,028	-40,172	-102,156	-112,434
Profit from financial items				
Net financial income	-10,458	2,186	-31,550	-8,230
Profit/loss after financial items	-35,485	-37,986	-133,706	-120,664
Tax	-	-	-	-
Profit/loss for the period 1)	-35,485	-37,986	-133,706	-120,664

1) Other comprehensive income for the period correspond to net result for the period

PARENT COMPANY'S BALANCE SHEET IN SUMMARY

SEK, thousand	31 Dec 2023	31 Dec 2022
Assets		
Intangible non-current assets	125,512	117,760
Tangible non-current assets	12,295	17,686
Financial assets	94,294	126,318
Inventories	44,348	48,243
Current receivables	82,962	46,611
Cash and cash equivalents	77,155	138,789
Total Assets	436,565	495,407
Equity and liabilities		
Shareholder's equity	348,604	390,088
Provisions	7,070	7,886
Non-current liabilities	10,381	10,381
Current liabilities	70,510	87,053
Total equity and liabilities	436,565	495,407

THE CLIMEON SHARE

LARGEST SHAREHOLDERS PER JUNE 30, 2023

Shareholders	Number of shares		Capital, %	Number of votes	Voting rights, %
	Series A	Series B			
Cidro Förvaltning AB	-	28,898,410	13.4	28,898,410	11.5
Försäkringsaktiebolaget Avanza Pension	-	23,331,774	10.8	23,331,774	9.3
Futur Pension Försäkringsaktiebolag	-	15,127,871	7.0	15,127,871	6.0
Nordnet Pensionsförsäkring AB	-	12,789,350	5.9	12,789,350	5.1
Wilhelm Risberg	-	12,205,786	5.7	12,205,786	4.9
Fredrik Lundgren	-	12,113,914	5.6	12,113,914	4.8
Skandinaviska Enskilda Banken SEB-Stiftelsen	-	11,287,717	5.2	11,287,717	4.5
Thomas Öström	3,900,000	5,575,344	4.4	44,575,344	17.8
Luxembourg Branch SEB AB	-	6,575,073	3.0	6,575,073	2.6
Clearstream Banking S.A.	-	6,261,745	2.9	6,261,745	2.5
Mp Pensjon Pk	-	5,212,025	2.4	5,212,025	2.1
Joachim Karthäuser	-	3,775,411	1.7	3,775,411	1.5
Olle Bergström	-	2,133,182	1.0	2,133,182	0.9
Karolina Tham von Heidenstam	-	1,306,640	0.6	1,306,640	0.5
Carl-Johan Sjögren	-	1,290,685	0.6	1,290,685	0.5
Others	-	64,060,417	29.7	64,060,417	25.5
Total	3,900,000	211,945,344	100.0	250,945,344	100.0

SHARE PRICE DEVELOPMENT



SHARE INFORMATION

The number of shares in Climeon amounts to 215,845,344 with quota value of 0.015 SEK, of which 3,900,000 are Class A shares, 10 votes/share, and 211,945,344 are Class B shares, 1 vote/share.

Climeon's B share is listed on Nasdaq First North Premier since October 13, 2017. The share price amounted to SEK 1.80 at the end of the period.

	Oct-Dec		jan-dec	
	2023	2022	2023	2022
Total number of issued shares at period end	215,845,344	95,105,086	215,845,344	95,105,086
Average number of shares outstanding	135,351,839	95,105,086	125,290,151	86,188,984
Earnings per share, before and after dilution, SEK	-0.27	-0.41	-1.29	-1.46
Equity per share, SEK	1.50	3.84	1.50	3.84

WARRANTS ISSUED

In connection with the rights issue of units that was completed in the fourth quarter of 2023, the Company has issued a total of 57,063,051 warrants where each warrant entitles to subscription of one new class B share in the Company. The subscription period for the warrants is expected to commence on 3 June 2024 and end on 17 June 2024.

The subscription price when subscribing for class B shares through the exercise of warrant(s) will correspond to 70 percent of the volume weighted average price for the Company's class B shares on Nasdaq First North Premier Growth Market during a ten-day measurement period which runs between 20 May 2024 and 31 May 2024, however not higher than 2.64 SEK, corresponding to a 200 percent increase in the part of the subscription price in the Rights Issue attributable to one share.

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

Climeon prepares consolidated statements in accordance with the Swedish Annual Accounts Act, RFR 1 completing rules for consolidated groups and IFRS, International Financial Reporting Standards with IFRIC-interpretations as adopted by EU as applied by IAS 34 Interim reporting. Information is given both in notes and in other parts of the report.

The parent company has prepared the interim report in accordance with the Swedish Annual Accounts Act (1995: 1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. Complete information on principles applied by the parent company is found in the annual report 2022 pages 57-64.

NOTE 2 DISTRIBUTION OF NET SALES

CONSOLIDATED

SEK, thousand	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Revenue type				
Hardware	1,195	8,560	6,041	10,984
Consulting and support services	23	518	145	2,948
Total	1,218	9,078	6,186	13,932
Geographic market				
Sweden	6	109	244	413
Europe	1,212	8,112	5,942	9,844
Asia	-	855	-	3,673
Total	1,218	9,078	6,186	13,932

NOTE 3 INTANGIBLE ASSETS

Intangible assets of the Group comprise capitalized expenditure on development SEK 121.6 million (112.5) and patents SEK 3.9 million (5.3). Depreciations during the quarter amounted to SEK 3.1 million (4.0) and write-downs during the period amounted to SEK 0.3 million (5.0). Accumulated depreciations of the period amounted to SEK 12.4 million (16.6) and accumulated write downs of the period amounted to SEK 0.7 million (6.4).

NOTE 4 TANGIBLE ASSETS

Tangible assets of the Group comprise leasehold improvements SEK 8.8 million (12.8), right-of-use assets, SEK 10.8 million (16.1), equipment SEK 1.5 million (1.8), technical equipment SEK 1.6 million (3.1) and systems located at customer premises and where the customers pay for the electricity generated ("As-a-Service") SEK 0.4 million (0.5). Depreciations

during the quarter amounted to SEK 1.6 million (2.9). Accumulated depreciations of the period amounted to SEK 7.4 million (11.0).

NOTE 5 FINANCIAL ASSETS

Financial assets of the Group amount to SEK 72.9 million (104.2) and consist of shares in the finance company Baseload Capital of SEK 71.1 million (99.9). The holding of the shares is valued at fair value through the profit/loss statement. Revaluation has affected the quarter by SEK -7.8 million (0.0). Accumulated revaluation of the year amount to SEK -28.8 million (-9.1). The valuation is based on Baseload's forecasts and results with a certain lag. Baseload uses a valuation model that Climeon deems consistent with fair value. The profit/loss effect is reported as a financial item. The re-valuation during the year can mostly be explained by a higher interest rate in the valuation model used. Warrants in Baseload Capital have at the balance sheet date been assigned a value of zero in the financial statements.

Other financial assets consist of deferred tax SEK 0.3 million (0.3), rental deposits SEK 0.1 million (0.1) and personnel loans of SEK 1.5 million (3.9).

Post-closing events

In February 2024, Climeon announced that it had entered into an agreement with Baseload Capital and its other owners. The agreement means that Climeon sells approx. 34% of its shares in Baseload Capital Holding AB while also repurchasing a number of non-commissioned HeatPower 150 units from Baseload Capital. In addition, an advance regarding a previously placed order regarding a geothermal order for Taiwan is settled. The transaction therefore has no liquidity impact for Climeon.

The sale of shares is made at Climeon's book value as of December 31, 2023 and thus involves no capital gain/loss in addition to the write-down made as of 31 December 2023.

In addition, Climeon has issued a call option for its remaining shares for any of Baseload Capital's other owners to exercise during a specified term. Climeon's book value of the remaining shares as of December 31, 2023 reflects the exercise price of the option, approximately 44 MSEK, which can thus lead to a future liquidity supplement for Climeon. Climeon's intention is therefore to, over time, divest its entire ownership in Baseload Capital.

NOTE 6 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets and contingent liabilities amounted to SEK 0.0 million (22.8)

SIGNATURES

The Board of Directors and the CEO guarantees that the interim report provides a fair overview of the company's operations, position and earnings and describes material risks and factors of uncertainty which the company is facing.

Kista, February 6th, 2024

Håkan Osvald
Chairman of the Board

Thomas Öström
Board member

Liselotte Duthu Törnblom
Board member

Anders Lindberg
Board member

Peter Carlberg
Board member

Lena Sundquist
CEO

This interim report has not been subject to review by the company's auditors.

KEY NUMBERS FOR THE GROUP

	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Order intake, SEK million	10.5	0.6	52.0	3.6
Order backlog, SEK million	80.5	37.1	80.5	37.1
Equity ratio (%)	76.4	74.8	76.4	74.8
Debt ratio (times)	0.3	0.3	0.3	0.3
Net debt ratio (times)	-0.3	-0.4	-0.3	-0.4
Earnings per share, before and after dilution, SEK	-0.27	-0.41	-1.29	-1.05
Equity per share, SEK	1.50	3.84	1.50	3.84
Share price at period end, CLIME B, SEK	1.80	3.04	1.80	3.04
Cash and cash equivalents, SEK million	77.5	139.3	77.5	139.3

Climeon presents certain financial measures in the interim report that are not defined according to IFRS, so called alternative performance measures. Climeon believes that these measures provide valuable supplemental information to investors and the company's management as they allow for evaluation of trends and the company's performance. Since all companies do not calculate financial measures in the same way, they are not always comparable to measures used by other companies. For definitions of the performance measures that Climeon uses, please see below.

DEFINITIONS

Order intake	The value of assignments received where agreements have been signed during the relevant period.
Order backlog	The value at the end of the period of the remaining unearned income in outstanding assignments.
Equity ratio	Shareholders' equity as a percentage of total assets.
Debt ratio	Liabilities including deferred tax liabilities and provisions divided by shareholders' equity (times).
Net debt ratio	Interest-bearing net debt including cash and cash equivalents divided by shareholders' equity (times). Negative net debt ratio means that cash and cash equivalents exceed interest-bearing liabilities.
Earnings per share, before dilution	Profit/loss for the period divided by the weighted average number of outstanding shares during the period.
Earnings per share, after dilution	Earnings per share adjusted by the number of outstanding warrants.
Equity per share	Shareholders' equity divided by the number of outstanding shares at end of the period.

QUARTERLY FIGURES, CONSOLIDATED

INCOME STATEMENT

SEK, million	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1.2	3.9	0.6	0.5	9.1	1.2	1.8	1.8
Capitalized work for own account	2.7	1.5	2.4	3.1	2.4	2.0	2.3	2.2
Other operating income	0.1	0.0	3.1	0.0	0.1	0.0	0.0	0.0
Operating expenses								
Raw material and consumables	-3.5	-6.3	-1.6	-1.1	-10.1	-0.3	-1.8	-0.0
Other external expenses	-5.0	-11.3	-5.9	-7.2	-18.0	-8.8	-7.7	-5.9
Personnel expenses	-14.3	-12.6	-12.7	-11.9	-12.4	-10.7	-14.7	-14.5
Depreciation and amortization	-6.3	-6.8	-6.4	-6.3	-11.6	-7.4	-6.9	-7.9
Other operating expenses	-0.0	-	-2.4	-0.0	-	-	-	-0.0
Operating profit/loss	-25.1	-31.6	-23.0	-22.9	-40.5	-24.0	-27.0	-24.3
Net financial income	-10.9	-6.2	-2.0	-14.0	1.6	0.8	-3.8	-8.7
Profit/loss after financial items	-36.0	-37.7	-25.0	-36.9	-38.9	-23.2	-30.8	-33.0
Tax	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	0.0
Profit/loss for the period	-36.0	-37.8	-25.1	-37.0	-38.9	-23.2	-30.8	-33.0
Earnings per share, before and after dilution, SEK	-0.27	-0.40	-0.26	-0.39	-0.41	-0.24	-0.40	-0.56

BALANCE SHEET

SEK, million	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Intangible non-current assets	125.5	121.8	121.4	121.7	117.8	117.0	117.2	111.1
Tangible non-current assets	23.5	25.6	28.7	32.0	34.3	36.8	39.1	40.7
Financial assets	72.9	80.9	84.7	90.2	104.2	104.6	104.8	107.4
Total non-current assets	221.9	228.3	234.9	243.9	256.3	258.4	261.0	259.3
Inventories	44.4	40.2	42.9	46.6	48.2	52.8	52.4	56.4
Current receivables	80.1	53.9	63.2	49.6	44.3	69.2	69.3	74.9
Cash and cash equivalents	77.5	23.1	57.6	95.8	139.3	187.6	221.6	116.6
Total current assets	202.1	117.3	163.7	192.0	231.9	309.7	343.3	247.9
Total assets	424.0	345.6	398.6	436.0	488.2	568.1	604.3	507.1
Shareholder's equity	323.8	268.1	304.3	328.6	365.2	404.5	428.0	319.8
Non-current liabilities and other provisions	29.6	31.0	33.2	34.6	30.7	48.0	50.2	55.3
Current liabilities	70.6	46.5	61.2	72.8	92.3	115.6	126.1	132.1
Total equity and liabilities	424.0	345.6	398.6	436.0	488.2	568.1	604.3	507.1

CASH FLOW STATEMENT

SEK, million	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	-21.4	-21.2	-10.5	-16.3	-17.2	-15.0	-19.5	-18.6
Changes in working capital	-6.3	5.0	-11.5	-7.8	-9.4	-3.9	8.5	4.3
Cash flow from operating activities	-27.7	-16.3	-22.0	-24.2	-26.6	-18.9	-11.0	-14.3
Investing activities	-7.8	-3.0	-4.1	-7.6	-5.4	-6.1	-13.7	-11.9
Cash flow after investing activities	-35.4	-19.3	-26.1	-31.7	-32.0	-24.9	-24.7	-26.2
Financing activities	89.9	-15.1	-12.1	-11.9	-16.4	-9.1	129.7	-9.1
Cash flow for the period	54.4	-34.4	-38.2	-43.5	-48.3	-34.0	105.0	-35.3
Cash and cash equivalents at the beginning of the period	23.1	57.6	95.8	139.3	187.6	221.6	116.6	152.0
Exchange rate differences in cash and cash equivalents	-0.0	-0.0	-0.0	-0.0	0.0	0.0	-0.0	-0.0
Cash and cash equivalents at the end of the period	77.5	23.1	57.6	95.8	139.3	187.6	221.6	116.6

THIS IS CLIMEON

Climeon is a Swedish product company operating within the energy technology sector. Climeon's proprietary technology, the Climeon HeatPower system, uses an Organic Rankine Cycle (ORC) process to convert low-temperature heat into clean, carbon free electricity. Providing access to dependable and cost-effective sustainable power, HeatPower enables industries to increase energy efficiency, decrease fuel consumption, and reduce emissions. As a non-weather-dependent source of green energy, HeatPower has the potential to diversify and safeguard the renewable energy mix and, therefore, accelerate the global transition to a net-zero future. Climeon's B shares are listed on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is a Certified Adviser.

OUR MISSION

To make sustainable power accessible, dependable, and cost-effective through the development of industry-leading, low-temperature waste heat recovery technologies.

OUR VISION

To reduce global CO2 emissions and accelerate the use of sustainable power with world leading HeatPower solutions.

LONG-TERM OPERATIONAL GOALS

Climeon aims to become the leading provider of low temperature heat power solutions by offering competitive products with the lowest possible levelized cost of energy (LCOE) for customers. In order to do this, Climeon will focus on:

- Becoming the low temperature de facto standard in chosen segments
- Maintaining the Heat Power system's market leading conversion efficiency
- Optimize the Heat Power system to give users a lower electricity cost (LCOE)

CORE VALUES



DO GOOD



BE A TEAMPLAYER



ALWAYS DELIVER

HEADQUARTERS

CLIMEON AB
TORSHAMNSGATAN 44
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WWW.CLIMEON.SE

CLIMEON