

INTERIM REPORT

JANUARY 1 - MARCH 31, 2024

Q1
2024

HEATPOWER 300 SUCCESSFULLY INSTALLED AT CUSTOMER SITE – CONTINUED EXPANSION OF GLOBAL PARTNERSHIPS

During the quarter, successful Factory Acceptance Tests (FAT) were conducted for Climeon's HeatPower 300 units destined for Lithuania. The units have been delivered and installed at NEO Group in Lithuania and are expected to be commissioned in the early summer of 2024. The six marine units to be delivered to Hyundai Heavy Industries on behalf of Maersk are in production, and acceptance tests for the first units are expected to be conducted during the summer. The company also announced its intention to gradually divest its ownership in Baseload Capital AB over time. Sales partner agreements have been signed for both the Korean and Greek maritime markets.

JANUARY - MARCH

- Order intake amounted to SEK 0.4 million (0.2)
- Net sales amounted to SEK 13.3 million (0.5)
- Order backlog amounted to SEK 41.8 million (80.5)
- Operating profit amounted to SEK -23.7 million (-22.9), including non-recurring items of SEK -11.2 (-17.4) million.
- Profit/loss after financial items amounted to SEK -21.6 million (-36.9)
- Earnings per share, before and after dilution, amounted to SEK -0.10 (-0.17)
- Cash flow from operating activities after changes in working capital amounted to SEK -28.4 million (-24.2)
- Total cash and cash equivalents amounted to SEK 38.4 million (77.5). In addition, restricted cash amounted to 11.8 million SEK for guarantees related to future customer deliveries in 2024. Thus, total cash and cash equivalents, including restricted funds, amounted to 50.2 million SEK. During April, customer payments totaling approximately 12.0 million SEK were received, strengthening liquidity after the end of the quarter.

IMPORTANT EVENTS DURING THE PERIOD

- Climeon's first HeatPower 300 units successfully passed final testing and acceptance tests (FAT) prior to installation and commissioning at NEO Group's industrial facility in Lithuania. In the presence of the customer, UAB Termolink, functionality and safety tests, performance tests, and compliance with applicable legal and certification requirements were conducted.
- Climeon and Baseload Capital reached an agreement regarding Climeon's ownership in Baseload Capital Holding AB and unused HeatPower 150 modules. According to the agreement, the order for HeatPower 150 placed by Baseload Power Taiwan was canceled. The agreement, expected to be finalized in 2024, has no liquidity impact on Climeon, apart from a potential future exercise of a purchase option that Climeon holds for its remaining shares in Baseload Capital Holding AB. Climeon's intention is to gradually divest its entire ownership in Baseload Capital.

POST CLOSING EVENTS

- Climeon has signed sales partner agreements with World Ocean Co Ltd and Franman for the South Korean and Greek maritime markets, respectively.

A WORD FROM OUR CEO:



Lena Sundquist, CEO of Climeon

“The first HeatPower 300 marine units will be delivered to the customer during the summer.”

HEATPOWER 300 SUCCESSFULLY INSTALLED AT CUSTOMER SITE: CONTINUED EXPANSION OF GLOBAL PARTNERSHIPS

The year has started with a strong emphasis on fulfilling the contracts Climeon secured last year. The two HeatPower units for NEO Group have been successfully installed at the customer's site after passing acceptance tests at our Kista facility. We are currently awaiting local authority approval, with the units expected to be commissioned in June.

The six HeatPower 300 units, which are to be delivered to Hyundai Heavy Industries later this year for installation on Maersk's new dual-fuel, methanol enabled, container ships, are in production. The first unit will undergo acceptance testing in the presence of representatives from the shipyard, shipping company, and certification bodies in Kista at the beginning of summer and then be delivered one by one, in accordance with the agreement with the shipyard, until the end of the year.

The two HeatPower 300 units in retrofit configuration for existing vessels that we sold in December will be delivered by Climeon at the end of 2024 and installed on the ships during operation early next year. To facilitate installation on existing vessels, the units intended for retrofitting will be delivered in parts and then assembled, installed, and commissioned on board.

For all units sold, we have not only ensured performance but also ensured the reliability of deliveries from our subcontractors. We have obtained all necessary certifications and have met requirements and expectations set by our customers, authorities, and certification bodies for our systems.

Parallel to our deliveries and existing customer commitments, our marketing and sales activities continue with unabated strength. In the maritime sector, we see that an increasing number of large container projects are currently taking place at various shipyards in China. We have initiated a collaboration with a new sales partner in China and, together with them, are engaged in ongoing discussions with several shipyards about numerous projects that have a good fit for our technology. But, as always when entering a new market, it takes time. Korea continues to be an attractive market for shipyards. During the quarter, we entered into an agreement and announced cooperation with a sales partner, World Ocean Co Ltd, with whom we have been collaborating for some time. Although Korea has fewer new projects at the moment compared to China, we anticipate more promising opportunities in the future. In addition to shipyards, we are approaching several interesting shipping companies worldwide, especially in Europe and Asia. In Greece, we have entered into a partnership with Franman, a well-established sales partner in the large Greek maritime market, and together with them, we have started meeting and approaching interesting shipowners with a keen interest in energy savings using Climeon's technology.

In the energy and industrial sectors, alongside our ongoing deliveries to Lithuania, we are managing several customer projects across various stages. These projects span various industries, engine-driven power plants, and geothermal developments, mainly with a continued emphasis on Europe. We aim to share more detailed updates throughout the year.

Regarding our financial development, we continue to maintain strict cost control and closely monitor our cash flow. We incurred some additional costs during the last quarter of 2023 and the first quarter of this year, including to meet the peak workload that arose when we were finalizing all detailed production documentation. We have now phased out these additional costs as we have started production.

For all shareholders holding subscription warrants, I would like to remind you that they entitle you to a 30 percent discount on the share price at the end of May. The subscription period runs from June 3 to June 17. We will provide more information on this later.

At our annual general meeting in Kista on May 15, attendees will have the opportunity to meet with the board and management and will also be offered a guided tour of our test site. This tour will showcase our full-scale HeatPower 300 units and provide a comprehensive explanation of our technology, development work, and how we conduct customer and certification testing during delivery.

With market trends strongly favoring our innovative approach to waste heat recovery technology, we anticipate substantial progress ahead and hope to have your continued support as we move towards a promising future.

Lena Sundquist, CEO, Climeon



MARKETS AND DEVELOPMENT

During the quarter, Climeon took several key steps in the continued commercialization of the company's product platform HeatPower 300, across the marine, energy, and industrial sectors, as well as in technology development and production:



MARITIME MARKET

The work to expand our sales network continued, and we are consistently evaluating new partnerships. Climeon has signed a cooperation agreement with the South Korean company World Ocean Co, Ltd., which has 30 years of experience representing foreign entities in the shipbuilding, offshore operations, and maritime-related construction industries. Greece is one of the world's largest maritime nations, and to effectively reach relevant shipowners in that market, Climeon has entered into a partnership with Franman, a highly established and reputable sales partner in the Greek maritime market.

Production is actively underway for the six units destined for Hyundai Heavy Industries, HD-HHI, on behalf of Maersk. The first unit in the series is expected to undergo customer acceptance testing (FAT) in the presence of customers and certification bodies during the summer. Subsequent HeatPower 300 units for this series of vessels will then be completed, verified, certified, and delivered in accordance with the customer agreement during the summer and fall. Additionally, the two HeatPower 300 units sold for retrofitting existing container ships are scheduled for delivery from Climeon by year-end and will be installed during normal operations in early 2025.

China is increasing its market share in the shipbuilding industry significantly. Climeon is currently involved in several shipyard projects in China for new vessels. Additionally, Climeon has started collaborating with a new prospective sales partner in China. Korea currently has fewer new projects compared to China, although we anticipate more interesting projects for us in Korea in the future. Concurrently, Climeon is working to expand its market positions not only in shipbuilding countries like Korea and China but also in relevant maritime nations, primarily in Asia and Europe. Installation and commissioning of HeatPower 150 units on Havila Voyages' cruise ships Havila Pollux and Polaris have been completed, and the systems have been handed over to the customer. For Havila Castor and Capella, commissioning of the delivered HeatPower 150 units remains, which will take place later in 2024.



ENERGY AND INDUSTRIAL MARKETS

During the quarter, Climeon reached a significant milestone by delivering the first two HeatPower 300 systems to a customer in Lithuania after successful acceptance testing. These units were installed by UAB Termolink at the NEO Group's facility. Climeon's commissioning team conducted "cold commissioning" on site in April. Following the local authorities' approval to connect the generated electricity to the grid, we expect the units to become operational early this summer.

The first quarter of 2024 saw robust sales activities, with numerous engagements with both existing and potential customers. Climeon provided quotes and price indications primarily to prospects across Europe. Climeon is actively pursuing a variety of projects, predominantly within process industries, engine-driven power plants, and geothermal power projects.



TECHNOLOGY AND PRODUCTION

The streamlining of Climeon's production and supply chain, in collaboration with the company's manufacturing partner, continued during the quarter. Possible alternative component suppliers are being evaluated continuously. The goal is to ensure an efficient production and supply chain with the potential for continuous improvements. The additional costs incurred during the fall and early this year, which have contributed to the completion of necessary production documentation, have now been phased out.

In March, the HeatPower 300 units intended for NEO Group in Lithuania successfully passed final testing and acceptance (FAT). The tests took place at Climeon's test facility in Kista, with the customer, UAB Termolink, on site. The focus was



on performance, safety, and usability, alongside a thorough review of product documentation. This review ensured that the design complies with regulatory requirements, industry standards for CE marking, and Grid Codes essential for sales and connection to electricity grids. The units have been successfully delivered and installed at NEO Group's facility, with Climeon receiving payment for the majority of the order value in April. We are now awaiting start approval from the Lithuanian authorities, who must inspect the equipment according to regulations before it can begin delivering electricity to the grid. Upon receiving this approval, the final payment for the project will be processed.

Production of the first units intended for Hyundai Heavy Industries, HD-HHI, has commenced. Acceptance testing (FAT) with representatives from the shipyard, shipowner, and classification society is planned for the end of the second quarter of 2024.

The preparatory design work for the HeatPower 300 units intended for the retrofit market continued. Unlike the units delivered to newly built vessels, this version will be designed to be divisible, making it easier to be transported in parts and then assembled and installed on existing ships.



EXTERNAL IMPACT

Today, Climeon is not directly affected by the geopolitical conflicts ongoing in the world. The company is monitoring developments and taking action to prevent negative impacts as much as possible.

ORDER ENTRY AND ORDER BACKLOG

During the first quarter of 2024, no new orders were received for hardware or HeatPower systems. At the end of the period, the order backlog amounted to 41.8 million SEK (36.9), corresponding to 8 (9) HeatPower modules and associated services. During the quarter, deliveries of orders amounted to -12.2 million SEK, with the majority consisting of the delivery of two HeatPower modules. Other changes in the order backlog during the quarter included currency exchange rate fluctuations and a write-down of a previous order from a customer in Taiwan, amounting to approximately -28 million SEK. This order pertained to the previous product generation HP 150 and was announced in February 2024. The order backlog mainly consists of orders in euros, which are revalued at the end of each period.

THE GROUP'S FINANCIAL DEVELOPMENT

JANUARY - MARCH

NET SALES AND EARNINGS

Net sales amounted to SEK 13.3 million (0.5) and were mainly attributable to the delivery and commissioning of HeatPower modules as well as service and aftermarket revenues.

During the quarter, two HeatPower 300 modules were delivered to a customer in Lithuania. Commissioning of these modules will take place during the second quarter of 2024, at which time the remaining revenues and costs for this customer project will be reported.

Operating profit/loss for the period amounted to SEK -23.7 million (-22.9). In the category of raw materials and consumables, disposals and write-downs of inventory related to older components amounted to SEK 2.0 million, which increased the overall cost base.

Total operating expenses, excluding depreciation and raw materials and consumables, decreased by approximately -2% 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 2.1 million (-14.0) primarily attributed to positive currency exchange rate effects in euros.

Profit/loss after financial items amounted to SEK -21.6 million (-36.9). Depreciations and amortizations amounted to SEK -7.0 million (-6.3)

CASH FLOW

The cash flow from operating activities *before* changes in working capital decreased by approximately -19% to -13.2 million SEK (-16.3).

Cash flow from operating activities *after* change in working capital amounted to SEK -28.4 million (-24.2) whereof the change in working capital amounted to SEK -15.3 million (-7.8). The negative

development during the quarter is mainly attributable to decreased account payables related to payments for produced HeatPower modules. Customer payments for these modules were received in April 2024, positively impacting working capital by approximately -12.0 million SEK after the end of the quarter.

Cash flow from investing activities amounted to SEK -9.2 million (-7.6), which was mainly related to product development and patents of SEK -8.0 million (-7.0).

Cash flow from financing activities amounted to SEK -1.4 million (-11.9).

Cash flow for the period amounted to SEK -39.1 million (-43.5).

FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 38.4 million (77.5). In addition, trapped cash amounted to SEK 11.8 million for guarantees for upcoming customer deliveries during 2024, which will be released during the year. Total liquid assets, including trapped cash, thus amounted to SEK 50.2 million. Customer payments of SEK 12.0 million for delivered modules and services were received in April, which has strengthened liquidity after the end of the quarter.

The equity ratio amounted to 80.9 percent (76.4) and the net debt ratio amounted to -0.1 times (-0.2). Shareholder's equity amounted to SEK 302.3 million (323.8) or SEK 1.4 (1.5) per share.

DEFERRED TAX ASSET

The company has unutilized deficit carryforwards in Sweden amounting to SEK 821.5 million (801.4), 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 13.3 million (0.5). Operating profit/loss amounted to SEK -23.8 million (-22.8) and profit/loss after financial items amounted to SEK -21.3 million (-36.4)

OTHER INFORMATION

FINANCIAL CALENDAR

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

CONTACT INFORMATION

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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 May 7, 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 January to March amounted to 42 (44), of which 29 (27) percent are women and 71 (73) percent men. At the end of March, the number of employees amounted to 42 (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 Mars 31st, 2024, the company has two outstanding warrant programs as shown below.

Additional information regarding the warrant programs can be found on page 81-82 of the annual report for 2023 and on the company's website. 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.

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		

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 55-58 in the 2023 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

The rights issue of units that was completed in the 4th quarter of 2023 contained approximately 57 million warrants, where the subscription period for these will be in June 2024. However, the size of the cash injection that these warrants could provide is unknown as of the date of this report. The company is therefore currently deemed to be in need of external financing within a twelve-month period in order to continue operating. Such funding may come from existing or new shareholders, or from third parties through public or private funding options. While the company's financial statements are prepared on a going concern basis, there is, as always, an element of uncertainty regarding the availability of capital during this period. This uncertainty may adversely affect the company's ability to implement its planned strategy. Climeon will therefore continue focusing on managing and planning the company's cash flow and liquidity in both the short term and the long term.

ADDITIONAL INFORMATION DUE TO GEOPOLITICAL CONFLICTS

In addition to price increases on certain components driven by higher costs for suppliers, Climeon is not directly affected by the various geopolitical conflicts ongoing in the world today. The company is monitoring developments and taking action to prevent any potential negative effects to the best of its ability.

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	Jan-Mar		Jan-Dec
		2024	2023	2023
Net sales	2	13,280	512	6,186
Capitalized work for own account		2,892	3,144	9,743
Other operating income		3	7	3,135
Total income		16,175	3,662	19,064
Operating expenses				
Raw material and consumables		-14,121	-1,147	-12,594
Other external expenses		-6,476	-7,216	-29,435
Personnel expenses		-12,258	-11,897	-51,366
Depreciation and amortization		-7,035	-6,296	-25,845
Other operating expenses		-	-40	-2,406
Operating profit/loss		-23,714	-22,933	-102,580
Profit/loss from financial items				
Net financial income	5	2,101	-13,993	-33,115
Profit/loss after financial items		-21,613	-36,927	-135,696
Tax		-20	-23	-73
Profit/loss for the period		-21,633	-36,950	-135,769
Earnings per share, SEK *)				
Before dilution		-0.10	-0.17	-0.63
After dilution		-0.10	-0.17	-0.63

SEK, thousand	Note	Jan-Mar		Jan-Dec
		2024	2023	2023
Profit/loss for the period		-21,633	-36,950	-135,769
Other comprehensive profit/loss for the period				
Translation differences		139	398	2,201
Other comprehensive profit/loss for the period		139	398	2,201
Comprehensive income/loss for the period		-21,494	-36,553	-133,568
Comprehensive income/loss for the period attributable to Shareholders of the parent company				
		-21,494	-36,553	-133,568

*) Fund issue elements from the new share issue in Q4 2023 has been taken into account in the calculation of earnings per share before and after dilution, which is why comparative figures have been recalculated.

CONSOLIDATED BALANCE SHEET

SEK, thousand	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets				
Intangible non-current assets	3	129,213	121,692	125,512
Tangible non-current assets	4	22,019	32,012	23,481
Financial assets	5	62,646	90,242	72,928
Total non-current assets		213,879	243,946	221,921
Inventories		46,009	46,622	44,353
Accounts receivable		26,941	15,886	23,899
Other current receivables	6	48,673	33,729	56,250
Cash and cash equivalents		38,430	95,792	77,550
Total current assets		160,052	192,029	202,051
Total Assets		373,931	435,975	423,972
Equity and liabilities				
Share capital		3,238	1,427	3,238
Other contributed capital		1,193,449	1,103,030	1,193,449
Retained earnings		-872,707	-738,872	-737,077
Profit/loss for the period		-21,633	-36,950	-135,769
Total shareholder's equity		302,347	328,635	323,841
Other provisions		6,262	7,886	7,070
Total provisions		6,262	7,886	7,070
Other non-current liabilities		15,240	26,691	16,680
Total non-current liabilities		15,240	26,691	16,680
Advance payments from customers		24,649	15,682	26,755
Accounts payable		7,613	6,929	21,384
Other current liabilities		17,821	50,152	28,243
Total current liabilities		50,082	72,764	76,381
Total equity and liabilities		373,931	435,975	423,972

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 2024-01-01	3,238	1,193,449	-872,846	323,841
Comprehensive profit/loss				
Profit/loss for the period	-	-	-21,633	-21,633
Other comprehensive profit/loss for the period				
Translation differences	-	-	139	139
Other comprehensive profit/loss for the period:	-	-	139	139
Total comprehensive profit/loss	-	-	-21,494	-21,494
Closing balance equity Sunday-03-31	3,238	1,193,449	-894,340	302,347

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	365,188
Comprehensive profit/loss				
Profit/loss for the period	-	-	-36,950	-36,950
Other comprehensive profit/loss for the period				
Translation differences	-	-	398	398
Other comprehensive profit/loss for the period:	-	-	398	398
Total comprehensive profit/loss	-	-	-36,553	-36,553
Closing balance equity Friday-03-31	1,427	1,103,038	-775,830	328,635

CONSOLIDATED CASH FLOW STATEMENT

SEK, thousand	Jan-Mar		Jan-Dec
	2024	2023	2023
Operating activities			
Operating profit/loss	-23,714	-22,933	-102,580
Adjustments for items not included in cash flow	10,265	6,428	35,271
Financial items	264	191	-2,092
Cash flow from operating activities before changes in working capital	-13,185	-16,315	-69,402
Change in working capital	-15,254	-7,837	-20,642
Cash flow from operating activities	-28,439	-24,151	-90,045
Investing activities			
Investments in intangible assets	-8,010	-7,042	-22,952
Investments in tangible assets	-1,277	-904	-1,894
Change in financial assets	65	378	2,410
Cash flow from investing activities	-9,222	-7,568	-22,436
Cash flow after investing activities	-37,661	-31,719	-112,481
Financing activities			
Change in short-term debt	-1,440	-11,868	-41,490
Share issue	-	-	91,158
Premiums paid for warrants	-	-	1,064
Cash flow from financing activities	-1,440	-11,868	50,732
Cash flow for the period	-39,101	-43,544	-61,749
Cash and cash equivalents at the beginning of the period	77,550	139,341	139,341
Exchange rate differences in cash and cash equivalents	-18	-4	-43
Cash and cash equivalents at the end of the period	38,430	95,792	77,550

PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK, thousand	Jan-Mar		Jan-Dec
	2024	2023	2023
Net sales	13,280	512	6,186
Capitalized work for own account	2,892	3,144	9,743
Other operating income	3	7	3,135
Total income	16,175	3,662	19,064
Operating expenses			
Raw material and consumables	-14,121	-1,147	-12,549
Other external expenses	-7,897	-8,546	-34,788
Personnel expenses	-12,222	-11,670	-51,042
Depreciation and amortization	-5,687	-5,052	-20,443
Other operating expenses	-	-40	-2,398
Operating profit/loss	-23,752	-22,793	-102,156
Profit from financial items			
Net financial income	2,417	-13,605	-31,550
Profit/loss after financial items	-21,335	-36,398	-133,706
Tax	-	-	-
Profit/loss for the period 1)	-21,335	-36,398	-133,706

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

PARENT COMPANY'S BALANCE SHEET IN SUMMARY

SEK, thousand	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets			
Intangible non-current assets	129,213	121,692	125,512
Tangible non-current assets	12,194	16,647	12,295
Financial assets	84,070	112,167	94,294
Inventories	46,003	46,616	44,348
Current receivables	78,474	52,073	82,962
Cash and cash equivalents	38,181	95,533	77,155
Total Assets	388,135	444,729	436,565
Equity and liabilities			
Shareholder's equity	327,269	353,733	348,604
Provisions	6,262	7,886	7,070
Non-current liabilities	10,381	10,381	10,381
Current liabilities	44,224	72,729	70,510
Total equity and liabilities	388,135	444,729	436,565

THE CLIMEON SHARE

LARGEST SHAREHOLDERS PER MARCH 31, 2024

Shareholders	Number of shares		Capital, %	Number of votes	Voting rights, %
	Series A	Series B			
Cidro Förvaltning AB	-	29,528,000	13.7	29,528,000	11.8
Försäkringsaktiebolaget Avanza Pension	-	22,520,276	10.4	22,520,276	9.0
Futur Pension Försäkringsaktiebolag	-	14,413,825	6.7	14,413,825	5.7
Nordnet Pensionsförsäkring AB	-	12,670,121	5.9	12,670,121	5.0
Karl Wilhelm Hans Risberg	-	12,190,243	5.6	12,190,243	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	-	6,550,297	3.0	6,550,297	2.6
Clearstream Banking S.A.	-	6,439,622	3.0	6,439,622	2.6
MP Pensjon Pk	-	5,225,225	2.4	5,225,225	2.1
Joachim Karthaus	-	3,775,411	1.7	3,775,411	1.5
Olle Bergstrom	-	2,027,001	0.9	2,027,001	0.8
Swedbank AS Estonia	-	1,452,791	0.7	1,452,791	0.6
Karolina Tham von Heidenstam	-	1,306,640	0.6	1,306,640	0.5
Others	-	64,868,917	30.1	64,868,917	25.8
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 0.99 at the end of the period.

	Jan-Mar		jan-dec
	2024	2023	2023
Total number of issued shares at period end	215,845,344	215,845,344	215,845,344
Average number of shares outstanding	215,845,344	170,567,747	170,567,747
Earnings per share, before and after dilution, SEK	-0.10	-0.17	-0.63
Equity per share, SEK	1.40	1.52	1.50

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 2023, pages 68-75.

NOTE 2 DISTRIBUTION OF NET SALES

CONSOLIDATED

SEK, thousand	Jan-Mar		Jan-Dec
	2024	2023	2023
Revenue type			
Hardware	12,884	495	6,041
Consulting and support services	396	17	145
Total	13,280	512	6,186
Geographic market			
Sweden	200	65	244
Europe	12,159	447	5,942
North America	335	-	-
Asia	586	-	-
Total	13,280	512	6,186

NOTE 3 INTANGIBLE ASSETS

Intangible assets of the Group comprise capitalized expenditure on development SEK 125.3 million (121.6) and patents SEK 3.9 million (3.9). Depreciations during the quarter amounted to SEK 4.3 million (3.1) and write-downs during the period amounted to SEK 0.0 million (1.0).

NOTE 4 TANGIBLE ASSETS

Tangible assets of the Group comprise leasehold improvements SEK 8.7 million (8.8), right-of-use assets, SEK 9.5 million (10.8)

, equipment SEK 1.5 million (1.5), technical equipment SEK 1.6 million (1.6) and systems located at customer premises and where the customers pay for the electricity generated ("As-a-Service") SEK 0.3 million (0.4). Depreciations during the quarter amounted to SEK 1.4 million (1.9).

NOTE 5 FINANCIAL ASSETS

Financial assets of the Group amount to SEK 62.6 million (72.9) and consist of shares in the finance company Baseload Capital of SEK 61.0 million (71.1). The holding of the shares is valued at fair value through the profit/loss statement. Revaluation has affected the quarter by SEK 0.0 million (-13.6). 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.

In February 2024, Climeon announced that it had entered into an agreement with Baseload Capital and its other owners regarding Climeon's ownership in Baseload Capital, where Climeon initially divests approximately 34% of its shares, which will occur gradually during 2024. During the first quarter of 2024, a divestment at book value took place, amounting to SEK 10.1 million. The transaction did not have a net liquidity impact on Climeon as the company simultaneously repurchased a number of unused modules for a corresponding value. The remaining sale of shares, amounting to approximately SEK 16.9 million, is expected to occur during the second quarter of 2024.

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 March 31, 2023, reflects the exercise price of the option, approximately SEK 44 million, 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.

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 1.3 million (1.5).

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, May 7th, 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

	Jan-Mar		Jan-Dec
	2024	2023	2023
Order intake, SEK million	0.4	0.2	52.0
Order backlog, SEK million	41.8	36.9	80.5
Equity ratio (%)	80.9	75.4	76.4
Debt ratio (times)	0.2	0.3	0.3
Net debt ratio (times)	-0.1	-0.2	-0.2
Earnings per share, before and after dilution, SEK	-0.10	-0.17	-0.63
Equity per share, SEK	1.40	1.52	1.50
Share price at period end, CLIME B, SEK	0.99	3.80	1.80
Cash and cash equivalents, SEK million	38.4	95.8	77.5

**) Fund issue elements from the new share issue in Q4 2023 have been taken into account in the calculation of earnings per share before and after dilution, which is why comparative figures have been recalculated.*

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	2024		2023		
	Q1	Q4	Q3	Q2	Q1
Net sales	13.3	1.2	3.9	0.6	0.5
Capitalized work for own account	2.9	2.7	1.5	2.4	3.1
Other operating income	0.0	0.1	0.0	3.1	0.0
Operating expenses					
Raw material and consumables	-14.1	-3.5	-6.3	-1.6	-1.1
Other external expenses	-6.5	-5.0	-11.3	-5.9	-7.2
Personnel expenses	-12.3	-14.3	-12.6	-12.7	-11.9
Depreciation and amortization	-7.0	-6.3	-6.8	-6.4	-6.3
Other operating expenses	-	-0.0	-	-2.4	-0.0
Operating profit/loss	-23.7	-25.1	-31.6	-23.0	-22.9
Net financial income	2.1	-10.9	-6.2	-2.0	-14.0
Profit/loss after financial items	-21.6	-36.0	-37.7	-25.0	-36.9
Tax	-0.0	-0.0	-0.0	-0.0	-0.0
Profit/loss for the period	-21.6	-36.0	-37.8	-25.1	-37.0
Earnings per share, before and after dilution, SEK	-0.10	-0.63	-0.46	-0.29	-0.17

BALANCE SHEET

SEK, million	2024		2023		
	Q1	Q4	Q3	Q2	Q1
Intangible non-current assets	129.2	125.5	121.8	121.4	121.7
Tangible non-current assets	22.0	23.5	25.6	28.7	32.0
Financial assets	62.6	72.9	80.9	84.7	90.2
Total non-current assets	213.9	221.9	228.3	234.9	243.9
Inventories	46.0	44.4	40.2	42.9	46.6
Current receivables	75.6	80.1	53.9	63.2	49.6
Cash and cash equivalents	38.4	77.5	23.1	57.6	95.8
Total current assets	160.1	202.1	117.3	163.7	192.0
Total assets	373.9	424.0	345.6	398.6	436.0
Shareholder's equity	302.3	323.8	268.1	304.3	328.6
Non-current liabilities and other provisions	21.5	23.8	31.0	33.2	34.6
Current liabilities	50.1	76.4	46.5	61.2	72.8
Total equity and liabilities	373.9	424.0	345.6	398.6	436.0

CASH FLOW STATEMENT

SEK, million	2024		2023		
	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	-13.2	-21.4	-21.2	-10.5	-16.3
Changes in working capital	-15.3	-6.3	5.0	-11.5	-7.8
Cash flow from operating activities	-28.4	-27.6	-16.3	-22.0	-24.2
Investing activities	-9.2	-7.8	-3.0	-4.1	-7.6
Cash flow after investing activities	-37.7	-35.4	-19.3	-26.1	-31.7
Financing activities	-1.4	89.8	-15.1	-12.1	-11.9
Cash flow for the period	-39.1	54.4	-34.4	-38.2	-43.5
Cash and cash equivalents at the beginning of the period	77.5	23.1	57.6	95.8	139.3
Exchange rate differences in cash and cash equivalents	-0.0	-0.0	-0.0	-0.0	-0.0
Cash and cash equivalents at the end of the period	38.4	77.5	23.1	57.6	95.8

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)

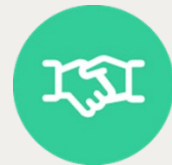
CORE VALUES



DO GOOD



BE A TEAMPLAYER



ALWAYS DELIVER

HEADQUARTERS

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CLIMEON

POWERING A SUSTAINABLE FUTURE