




Klimator AB (publ)

Interim report 3

July – September 2024

November 15th 2024

 klimator



Third quarter, July 1 – September 30, 2024

Group

- Operating revenue amounted to SEK 6,657K (SEK 5,720K).
- Operating profit amounted to SEK -0,31K (SEK -4,565K).
- Net income amounted to SEK -210K (SEK -4,560K).
- Earnings per share after tax amounted to SEK -0.01 (SEK -0.16).

(Amounts within parentheses refer to the corresponding figures for the same period the prior year)

First nine months January 1 – September 30, 2024

Group

- Operating revenue amounted to SEK 21,533K (18,571K).
- Operating profit amounted to SEK -2,562K (-16,189K).
- Net income amounted to SEK -3,030K (-16,659K).
- Earnings per share after tax amounted to SEK -0.01 (SEK -0.57).
- Cash flow from operating activities amounted to SEK -9,017K (-12,591K).
- Number of shares as of September 30, 2023, amounted to 31,084,638 (28,824,751).

(Amounts within parentheses refer to the corresponding figures for the same period the prior year)



Material events during the first nine months

- In January Klimator initiated a project aiming to improve energy prediction for electric vehicles by including road weather information.

The project is carried out together with a global player within heavy transport. The value of the order is SEK 984K, of which SEK 738K is financed through FFI. The project extends over 9 months, starting in mid-December. The project aims to improve the energy consumption forecast for heavy electric vehicles by including road weather information from Klimator.

The initiative for the project has a background in investments in battery electric and fuel cell-powered vehicles.

- In March Klimator AB has applied for and been granted a loan of SEK 3 million from Almi Företagspartner.
- In March Klimator wins its first major airport agreement based on the AHEAD technology. The delivery, which is expected to take place in Q3, will be delivered to one of the largest airports in Europe. The agreement is signed by the partner SARSYS ASFT and includes two separate AHEAD systems with a total value of approximately EUR 50,000
- AiDEN Auto creators of the first white label and bi-directional connected services hub powered by the Android Automotive Operating System (AAOS) and Klimator, world-leading experts in road weather intelligence, will be showcasing a new collaboration during the Connected Vehicle Systems Alliance (COVESA) All Member Meeting in Gothenburg, April 16 – 18. The Demonstration will include Klimator weather alerts in multiple AiDEN-enabled passenger and commercial vehicles.
- In May Epoke, a leading equipment manufacturer of the winter industry in Europe and North America, has launched the world's first product for salt spreaders, called dynamic dosage, which means that the spreaders are controlled directly through Klimator's AI-based road weather application, Road Status Information (RSI).
- In June Klimator signs a historical big frame contract for delivery of IoT sensors with a value up to SEK 33 million to BaneDanmark.
- The board of Directors of Klimator AB (publ) ("Klimator" or the "Company") has in June, with the support of the authorization from the annual general meeting on May 16, 2024, resolved on a directed share issue of 2,259,887 shares at a subscription price of SEK 1.77 per share (the "Share issue"). The proceeds from the Share issue amount to approximately SEK 4.0 million.
- Since 2008, Klimator has worked together with the Norwegian Public Roads Administration on deliveries of road conditions data and high-resolution data for road weather. The collaboration is being expanded in scope and will continue over the next five years, to an annual value of approximately SEK 1.4 million (SEK 7 million during the agreement period.)

Material events after the end of the period

- Klimator signs partnership agreement with Bosch that focuses on the service platform, L.OS – Logistics Operating System, which is Bosch's service platform for logistics fleet management and will include Klimator's cloud-based platform, Road Condition Data (RCD). The objective is to provide seamless access to road weather intelligence in Europe. The non-exclusive partnership will be initiated during Q4 2024.



Comment from the CEO

Klimator continues to demonstrate strong and positive development, and the third quarter of 2024 has been particularly successful with significant improvements compared to the same period last year. The company has a 16,4 % growth for the third quarter and improves the result by SEK4,4M compared to 2023. A major contribution to our results comes from new business agreements signed during the second quarter, where we initiated collaborations with both BaneDanmark and Vegvesen, the Norwegian road administration. These agreements strengthen our presence and stability in the Nordic region and have a direct positive impact on our financial results.

Automotive

A key milestone for this quarter is Klimator's first commercial agreement in the Automotive sector with Bosch. This collaboration is an important step for us, as Bosch is a global player that enhances our brand and allows for a broader business expansion based on our core product, Road Condition Data (RCD). Our commercial collaboration focuses on weather-related services for transport and logistics—an area where our solutions enable stakeholders to reduce both costs and environmental impact through more precise and automated weather-adjusted decisions. We also see growing interest in data related to standardization from EuroNCAP in discussions with automotive industry suppliers.

Winter Maintenance

AI-driven salt spreaders, an idea launched over ten years ago, continues to attract international interest, especially in countries like Norway, Denmark, the Netherlands, and Germany. This is a clear example of Klimator's ability to transform research and innovation into concrete and scalable products for the future of road maintenance. By applying artificial intelligence and machine learning, we can optimize winter road maintenance and reduce unnecessary

actions, which is not only economically advantageous for our customers but also contributes to a reduced environmental impact by minimizing salt usage and driving distances for winter maintenance.

This year, we are also celebrating an important anniversary with Road Status Information (RSI), which has now been in operation for ten years. RSI has been a cornerstone of Klimator's growth journey and is a vital part of our technological offerings. Our continuous focus on optimize and automate RSI has enabled us to provide an even better user experience and reliable road information services to our customers, regardless of weather conditions. We take pride in offering such a robust and proven solution for road condition forecasts, and we continue to invest in this technology to meet future needs.

As part of our offering, we have also started to integrate and evaluate new types of sensors from other providers to further enhance our services. During the upcoming winter, we look forward to evaluating sensors that measure parameters such as snow depth. Snow depth information is a critical parameter for logistics terminals, bus depots, and other areas where efficient resource planning is needed to ensure continuous operations.

Klimator maintains a strong focus on new onboard new customers and markets, deepening relationships with existing customers, and continuing our cost control. We look forward with confidence to the continued development during the rest of the year and the planning ahead for 2025.

Emil Danielsson
CEO of Klimator AB





About Klimator

History

Klimator is a Swedish software company that was founded in 2001 by Torbjörn Gustafsson and Jörgen Bogren. The founders have over 30 years of research experience in applied road climatology at the University of Gothenburg. Klimator's technology is based on years of academic research into road weather conditions. In 2020, the company acquired HedeDanmark's connected sensors (IoT) business to expand and strengthen Klimator's product portfolio.

Business areas

To serve the market segments and customer groups addressed, Klimator's activities are organized into two distinct business areas:

- Business Area Winter Maintenance
- Business Area Automotive

In the Winter Maintenance business area, the company offers a web-based software application, Road Status Information (RSI), based on the company's Road Condition Data (RCD) platform. The software is customized for the needs winter contractors face when making critical decisions about when and how to implement specific measures and how much salt or sand to lay down. Klimator's software results in significant cost savings for an industry with annual revenues of around SEK 3 billion in Sweden alone. More efficient wintertime road maintenance also brings major environmental benefits, such as lower salt usage, lower fuel consumption, and less wear and tear on roads.

The company's IoT sensors give contractors, municipalities, and other organizations the ability to measure road surface temperature, air temperature, air humidity, rainfall, ground moisture, groundwater level, water level, and hydraulic flow in real-time. With the help of sensors, data is

collected and stored in Klimator's IoT platform, where customers can avail themselves of a number of different services. For the customer, it's a simple and easy introduction to a more modern, digital way to work.

The company focuses on IoT sensors connected to winter road maintenance but offers other sensors as a service to existing customers.

After establishing the Automotive business area late in 2019, the company carried out a number of successful Proof of Concept (PoC) and developmental projects with leading European and Japanese vehicle manufacturers and suppliers. There are several highly attractive areas of application for the company's data platform (RCD) and sensor technology (AHEAD) within the automotive industry with respect to:

- improved driver information
- improved use of Advanced Driver Assistance Systems (ADAS)
- safe and scalable Autonomous Driving technology (AD)

Product portfolio

Road Condition Data (RCD) is a cloud-based Data-as-a-Service platform (DaaS) that aggregates data from a number of different sources. Advanced climate models and Klimator's unique classification model for the road network are used in tandem to process this data and deliver detailed real-time information and predictive forecasts about road weather conditions. This information can be applied in a number of different areas in the automotive industry, including intelligent Advanced Driver Assistance Systems (ADAS) and complex systems for autonomous vehicles (AD).



Based on RCD, **Road Status Information (RSI)** is a digital Software-as-a-Service (SaaS) application that provides detailed forecasts for roads, bike paths, and pedestrian walkways. These high-resolution forecasts are used by transportation agencies and winter road contractors to make critical decisions about when, where, and how to implement snow removal and de-icing measures. Klimator's forecasts facilitate decision-making, planning, and follow-up and facilitate more efficient use of resources, which results in significant cost savings and a lessened impact on the environment.

AHEAD is a sensor technology that analyzes road conditions and friction in front of a moving vehicle in real-time. The technology is the result of more than ten years of research and development into road condition classification. AHEAD gives vehicle system information about prevailing road conditions, which improves the functionality and utility of Advanced Driver Assistance Systems and Autonomous Driving technology.

Klimator's IoT Road Weather Stations provides real-time information on how weather impacts local road conditions. This data will empower operators to make informed decisions on the appropriate treatments necessary. The data is easily accessible from the Road Status Information (RSI) platform. The data comes in the form of an API so can also be fed into other weather monitoring and forecasting systems if necessary.





Financial overview

Consolidated financial statements

The Interim Report relates to the group, where the parent company, Klimator AB, owns 100 percent of the shares of Klimator Danmark DK ApS (hereinafter collectively referred to as the "company").

Accounting principles

The Interim Report has been prepared in accordance with the Annual Accounts Act ("Årsredovisningslagen") and the BFNAR 2012:1 Annual accounts and group accounting ("K3") general guidance from the Swedish Accounting Standards Board (BFN).

Income

Revenues

The company's total turnover increases by 16.4 % to SEK 6,657K for the third quarter of 2024, compared to the same period in 2023 (SEK 5,720K).

The company's revenues primarily consist of licensing income for the Road Status Information service in the Winter Maintenance business area and income via IoT sensors.

The revenues also include project income from the Automotive business area regarding Proof-of-Concept and innovation projects with vehicle manufacturers, in relation to the company's products Road Condition Data (RCD) and AHEAD. The company has increased its project income substantially for Automotive during the first quarter.

In the third quarter of 2024, net revenues amounted to SEK 5,518K, which is in line to the prior year (SEK 4,609K).

The company's revenues from Winter Maintenance, now also including the sensor business, are normally accrued evenly throughout the year since the business model typically entails a one-year subscription or for the winter season. In addition to this, the company normally charges a start-up fee. Invoices and payments are often sent or received in advance.

Capitalized developmental work and proprietary fixed assets

The company capitalizes expenses attributable to the mapping of new geographic areas in its data platform.

In the third quarter of 2024, the company capitalized SEK 15K of developmental expenses for the above-mentioned projects.

Other operating income

The company occasionally receives research and development grants from authorities such as the EU and Vinnova that are reported as Other operating income.

In the third quarter of 2024, Other operating income amounted to SEK 1,124K compared to SEK 931K for the same period the prior year, which is an increase of 20,7%. The increase is mainly attributable to extended collaboration with vehicle manufacturers and authorities within winter maintenance. The purpose is that these collaborations shall lead to commercial contracts and also to develop the products of the company.



Costs

Direct costs

Cost of sales primarily refers to data traffic, server capacity, and hardware costs associated with the sale of sensors and AHEAD systems.

In the third quarter of 2024, direct costs amounted to SEK 862K (2,505K). The reduction is mainly attributable to streamlining the company's distribution of data traffic and lower server costs.

Other external costs

Other external costs primarily include rental costs for the premises, IT services, marketing, travel and consulting fees.

In the third quarter of 2024, other external costs amounted to SEK 1,188K, which is a decrease of 32% compared to the prior year (SEK 1,757K). The reduction is mainly attributable to lower rental costs, car cost and consulting than in 2024.

Compensation and benefits

At the end of the third quarter, the company employed 16 individuals in business management, sales/business development, administration, and product development/project management.

In the third quarter of 2024, compensation and benefits amounted to SEK 4,356K (SEK 5,816K), which is 25% less compared to the same period previous year and due to fewer employees compared to 2023.

Depreciation and amortization

The company amortizes the goodwill from the acquisition of the Danish business and OmniKlima (merged subsidiary) as well as capitalized development expenses over a period of 5 years.

In the third quarter of 2024, the company's depreciation and amortization amounted to SEK 283K (SEK 207K).

Other items

Intangible assets

At the end of the third quarter, the company's intangible fixed assets amounted to SEK 3,158K, which included SEK 2,279K in capitalized development, SEK 640K for patents and SEK 239K in goodwill.

The acquisition cost of an internally developed fixed asset includes all directly related expenses.

Intangible fixed assets are linearly depreciated over the estimated useful life of the asset, which is reassessed on each balance sheet date. Currently, the useful life is estimated at five years for all intangible fixed assets.

Cash and cash equivalents

At the end of the third quarter, the company had cash and cash equivalents of SEK 4,460K. The company also has an unused bank overdraft facility of SEK 1,700K.

Cash flow

For the first nine months, cash flow from operating activities amounted to SEK -9,017K (SEK -12,591K).

Interest-bearing long-term debt

The company's liabilities amounted to SEK 3,468K in the form of two loans from Almi Företagspartner. Of this amount, SEK 2,400K is long-term debt. The loan was assumed in spring 2020 in connection with the COVID-19 pandemic and in April 2024. Repayment of the principal began in August 2021 for the first loan and will start in October 2024 for the second loan.

Through a corona-related support, the company received a refund of approximately SEK 5,196K from the Tax Agency in August 2023. In August 2024, the Tax Agency decided that the support should be amortized over 36 months with the first installment in February 2025. The long-term part is approximately SEK 3,577K.

Interest-bearing short-term loan

The short-term portion of the loan from Almi Företagspartner amounts to SEK 1,068K.

Through a corona-related support, the company has received a refund from the Tax Agency in August 2023. The short-term part is approximately SEK 1,619K.

Equity

As of September 30th, 2024, the equity of the mother company amounted to SEK 5,607K while the group equity amounted to SEK 398K by September 30th.

Equity ratio

At the end of the third quarter, the mother company equity ratio was 28 percent, and the group equity ratio was 2 percent.

Stock-based incentive plans

At the extraordinary general meeting on November 30, it was decided on a long-term incentive program of series 2023-2026:1, through targeted issue and transfer of a maximum of 960,000 warrants to employees and key persons in a leading position in the company, as well as incentive program of series 2023-2026:2, through a directed issue and transfer of a maximum of 240,000 warrants to board members in the company. If fully utilised, the number of shares can increase by 1,200 shares in 2026.

Convertible notes and new share issue

No activities during the third quarter.

Number of shares in the company

The number of outstanding shares in Klimator was 31,084,638 at the end of the third quarter 2024, which is an increase of 2,259,887 shares compared to the third quarter 2023.

Average number of shares during the second third amounted to 31,084,638 shares. In the third quarter of 2023, this amounted to 28,824,751 shares.

Profit per share

Profit per share for the third quarter 2024 amounted to SEK -0.01 (-0.16).

Auditor's review

This Interim Report has not been reviewed by the company's auditor.

Next report

The next report is the company's interim report Q4, which will be published in February 28th, 2025.

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Profit and Loss Statement | Group

All amounts in SEK thousands	3rd Quarter 2024	3rd Quarter 2023	Nine months 2024	Nine months 2023
Operating income				
Net revenues	5 518	4 609	17 022	15 852
Capitalized developmental work	15	180	304	557
Other operating income	1 124	931	4 207	2 162
Total operating income	6 657	5 720	21 533	18 571
Operating expenses				
Direct costs	-861	-2 505	-3 929	-6 564
Other external costs	-1 188	-1 757	-4 699	-6 553
Compensation and benefits	-4 356	-5 816	-14 634	-21 030
Depreciation and amortization	-283	-207	-833	-613
Total operating expenses	-6 688	-10 285	-24 095	-34 760
Operating profit	-31	-4 565	-2 562	-16 189
Profit/(loss) from financial items				
Interest income	1	63	5	64
Interest expense	-180	-58	-473	-534
Total profit/(loss) from financial items	-179	5	-468	-470
Profit/(loss) after financial items	-210	-4 560	-3 030	-16 659
Appropriations				
Profit/(loss) before income taxes	-210	-4 560	-3 030	-16 659
Taxes	0	0	0	0
Profit(loss) for the period	-210	-4 560	-3 030	-16 659



Balance Sheet | Group

	Nine months	Full year
All amounts in SEK thousands	2024	2023
ASSETS		
Fixed assets		
Intangible assets	3 158	3 008
Tangible assets	784	908
Total fixed assets	3 942	3 916
Current assets		
Inventory	621	1 810
Accounts receivable	7 904	3 562
Other current receivables	2 697	3 499
Cash and cash equivalents	4 460	4 847
Total current assets	15 682	13 718
TOTAL ASSETS	19 624	17 634
EQUITY AND LIABILITIES		
Equity		
Shareholders' equity	1 554	920
Other equity including profit/(loss) for the period	-1 156	-1 377
Total equity	398	-457
Liabilities		
Long-term debt	5 977	313
Short-term debt	13 249	17 778
Total liabilities	19 226	18 091
TOTAL EQUITY AND LIABILITIES	19 624	17 634



Profit and Loss Statement | Parent Company

All amounts in SEK thousands	3rd Quarter 2024	3rd Quarter 2023	Nine months 2024	Nine months 2023
Operating income				
Net revenues	2 640	1 370	9 130	7 218
Capitalized developmental work and proprietary fixed assets	15	180	304	557
Other operating income	1 944	1 575	6 632	4 490
Total operating income	4 599	3 125	16 066	12 265
Operating expenses				
Direct costs	-1 258	-1 083	-3 951	-4 387
Other external costs	-916	-1 329	-3 393	-5 407
Compensation and benefits	-3 014	-4 138	-9 745	-16 145
Depreciation and amortization	-235	-169	-710	-500
Total operating expenses	-5 423	-6 719	-17 799	-26 439
Operating profit	-824	-3 594	-1 733	-14 174
Profit/(loss) from financial items				
Interest income	43	62	70	63
Interest expense	-179	-51	-471	-527
Total profit/(loss) from financial items	-136	11	-401	-464
Profit/(loss) after financial items	-960	-3 583	-2 134	-14 638
Appropriations	0	0	0	0
Profit/(loss) before income taxes	-960	-3 583	-2 134	-14 638
Taxes	0	0	0	0
Profit(loss) for the period	-960	-3 583	-2 134	-14 638



Balance Sheet | Parent company

	Nine months	Full year
All amounts in SEK thousands	2024	2023
ASSETS		
Fixed assets		
Intangible assets	2 789	2 706
Tangible assets	514	644
Fixed financial assets	809	809
Total fixed assets	4 112	4 159
Current assets		
Inventory	138	232
Accounts receivable	6 127	4 505
Deferred tax assets	632	855
Other current receivables	4 834	3 149
Cash and cash equivalents	4 052	3 213
Total current assets	15 783	11 954
TOTAL ASSETS	19 895	16 113



Balance Sheet | Parent company

	Nine months	Full year
All amounts in SEK thousands	2024	2023
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Shareholders' equity	1 554	1 441
Statutory reserve	20	20
Reserve for developmental expenses	2 044	2 044
Total restricted equity	3 618	3 505
Non-restricted equity		
Retained profit/(loss)	4 123	14 681
Profit(loss) for the period	-2 134	-14 425
Total unrestricted equity	1 989	256
Total equity	5 607	3 761
Untaxed reserves	0	0
Liabilities		
Long-term debt	5 977	313
Short-term debt	8 311	12 039
Total liabilities	14 288	12 352
TOTAL EQUITY AND LIABILITIES	19 895	16 113



Cash flow Analysis | Group

	Nine months	Nine months
All amounts in SEK thousands	2024	2023
Operating activities		
Profit/(loss) after financial items	-3 030	-16 659
Planned depreciations	-95	123
Income taxes paid	223	-317
Effect of exchange rate changes, change in net foreign currency translation adjustment to equity for the year	833	614
Cash flow from operating activities before changes in working capital	-2 069	-16 239
Cash flow from changes in working capital		
Increase (-) or decrease (+) in inventory	1 189	-902
Change in accounts receivables from operating activities	-3 764	3 284
Change in liabilities from operating activities	-4 373	1 266
Cash flow from operating activities	-9 017	-12 591
Investment activities		
Purchase of intangible assets	-853	-673
Purchase of tangible assets	-6	-103
Cash flow from investment activities	-859	-776
Financing activities		
New share issues	113	145
Underwriting expenses	-159	-554
Share premium reserve	4 026	5 655
Amortization Convertible loans	0	-6 358
New loans	5 977	0
Amortization of loans	-468	-625
Cash flow from financing activities	9 489	-1 737
Increase/decrease in cash and cash equivalents	-387	-15 104
Currency differens effect on cash	4 847	22 630
Cash and cash equivalents at beginning of year		48
Cash and cash equivalents at end of year	4 460	7 574



Cash flow Analysis | Parent Company

All amounts in SEK thousands	Nine months 2024	Nine months 2023
Operating activities		
Profit/(loss) after financial items	-2 134	-14 638
Adjustments for non-cash flow items	710	500
Income taxes paid	223	-335
Cash flow from operating activities before changes in working capital	-1 201	-14 473
Cash flow from changes in working capital		
Increase (-) or decrease (+) in inventory	94	159
Change in accounts receivables from operating activities	-3 309	1 493
Change in liabilities from operating activities	-3 571	391
Cash flow from operating activities	-7 987	-12 430
Investment activities		
Investment in intangible assets	-663	-673
Cash flow from investment activities	-663	-673
Financing activities		
New share issues	113	145
Underwriting expenses	-159	-554
Share premium reserve	4 026	5 655
Convertible loans	0	-6 358
Loans	5 977	0
Amortization of loans	-468	-468
Cash flow from financing activities	9 489	-1 580
Increase/decrease in cash and cash equivalents	839	-14 683
Cash and cash equivalents at beginning of year	3 213	20 647
Cash and cash equivalents at end of year	4 052	5 964



Change in equity | Group

All amounts in SEK thousands	Shareholders' equity	Other equity	Other equity including profit/(loss) for the period	Total
Equity 2023-01-01	1 296	62 556	-53 774	10 078
Profit for the period			-15 829	-15 829
Issue of shares	-521			-521
Costs for issue of shares	666	5 655		6 321
Warrants		-554		-554
Conversion difference			48	48
Equity 2023-12-31	1 441	67 657	-69 555	-457
Equity 2024-01-01	1 441	67 657	-69 555	-457
Paid but not registered share capital				
Profit for the period			-3 030	-3 030
Issue of shares	113	3 887		4 000
Costs for issue of shares		-159		-159
Subscription options		139		139
Conversion difference			-95	-95
Equity 2024-09-30	1 554	71 524	-72 680	398



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