

INTERIM REPORT

JANUARY 1 - JUNE 30, 2024

Q2
2024

NEW PARTNERSHIP IN THE WORLD'S LARGEST SHIPBUILDING MARKET AND FULLY ESTABLISHED SUPPLY CHAIN FOR HEATPOWER 300 FROM ORDER TO INSTALLATION.

The HeatPower 300 systems delivered to NEO GROUP in Lithuania have now been installed, and commissioning is underway. This milestone signifies that Climeon has established a complete procurement, production, and delivery chain for the HeatPower 300 product platform. Additionally, Climeon announced a partnership with Grandbow Technology, a leading sales and service provider in the Chinese shipyard market, during the quarter. This collaboration enhances Climeon's sales efforts in the Chinese shipyard market, one of the largest in the world, which has seen a growing number of inquiries. Furthermore, the subscription period for the options issued in the last quarter of 2023 concluded in June, resulting in the company raising approximately SEK 23 million before issuance costs.

APRIL - JUNE

- Order intake amounted to SEK 0.4 million (12.8) .
- Net sales amounted to SEK 0.8 million (0.6) and were primarily attributable to commissioning and aftermarket revenues.
- Operating profit/loss amounted to SEK -24.8 million (-23.0) .
- Profit/loss after financial items amounted to SEK -27.1 million (-25.0)
- Earnings per share, before and after dilution, amounted to SEK -0.12 (-0.11)
- Cash flow from operating activities after changes in working capital amounted to SEK -10.9 million (-22.0) .

IMPORTANT EVENTS DURING THE PERIOD

- Climeon announced a partnership with Grandbow Technology, a leading sales and service provider in the shipyard sector in China. During the quarter, Climeon also entered into similar agreements with sales partners in Greece and South Korea.
- In June, Climeon disclosed the outcome of the subscription period for the subscription options issued during the company's rights issue in the fourth quarter of 2023. A total of 41,950,343 options were exercised to subscribe for B-shares, corresponding to a subscription rate of approximately 73.5 percent. Climeon thereby raised approximately SEK 23 million before issuance costs.
- The conditional loan of over SEK 10 million previously received from the Swedish Energy Agency was converted into a grant during the quarter, making Climeon free from long-term debt.
- The EU-funded project CHEK Horizon 2020 was completed, where Climeon, together with shipowners and other representatives from the marine industry, participated in developing future ship designs for more energy-efficient vessels.

- At the Annual General Meeting on May 15, the shareholders re-elected board members Thomas Öström, Liselotte Duthu Törnblom, and Håkan Osvald, and elected Joakim Thölin and Sebastian Ehrnrooth as new ordinary members. Håkan Osvald was re-elected as Chairman of the Board.

JANUARY - JUNE

- Order intake amounted to SEK 0.8 million (13.0)
- Net sales amounted to SEK 14.1 million (1.1)
- Order backlog amounted to SEK 40.7 million (80.5)
- Operating profit amounted to SEK -48.5 million (-46.0) , including non-recurring items of SEK -1.7 million.
- Profit/loss after financial items amounted to SEK -48.7 million (-62.0)
- Earnings per share, before and after dilution, amounted to SEK -0.22 (-0.28)
- Cash flow from operating activities after changes in working capital amounted to SEK -39.3 million (-46.1) and total cash and cash equivalents amounted to SEK 42.0 million (77.5) . In addition, restricted cash amounted to 11.6 million SEK for guarantees related to future customer deliveries in 2024. Thus, total cash and cash equivalents, including restricted funds, amounted to 53.6 million SEK.

POST CLOSING EVENTS

- The first of a total of six HeatPower 300 systems ordered by HD Hyundai Heavy Industries on behalf of the shipping company Maersk underwent acceptance test at Climeon's facility in Kista.
- In July, Climeon announced that the company's CFO, Carl Arnesson, will leave the company at the end of the year and be replaced by Carl Frykfeldt in an interim role. Furthermore, Fredrik Nimander has been appointed as new COO, Chief Operating Officer, and member of the management team with immediate effect.

A WORD FROM OUR CEO:



Lena Sundquist, CEO of Climeon

“For me, it’s also clear that it’s only a matter of time before the market really picks up, and we will be able to secure more customer orders at a higher frequency.”

THE ENTIRE SUPPLY CHAIN FOR HEATPOWER 300 IS IN PLACE

During the quarter, two HeatPower 300 systems have been installed at NEO Group’s facility in Lithuania, with commissioning currently underway. This means we now have a complete and well-established supply chain for HeatPower 300 in place.

Our marine customer projects, including both new builds and installations on existing vessels, are progressing as planned. In early July, representatives from Maersk, Hyundai, and the classification society ABS attended Factory Acceptance Tests (FAT) at our Kista facility for the first system to be delivered to the shipyard. These tests are conducted to ensure the product meets the customer’s performance, specifications, and documentation requirements, as well as compliance with the classification standards for marine operations.

Throughout the spring, it has become increasingly evident how well Climeon’s products align with current market trends. There is growing discussion and imminent implementation of energy efficiency requirements and carbon taxes, both locally and globally. This trend is significantly driving demand for our products across all markets. We are continuously receiving numerous inquiries from all our market segments, including marine newbuild projects, marine retrofit projects, and European projects in industry, geothermal, and land-based engines. Over the spring, we have engaged with many potential customers and are actively negotiating concrete projects within these segments.

To me, it is evident that it is only a matter of time before the market gains momentum, allowing us to secure more customer orders at a higher frequency.

Based on my experience, there is always a lag in both the marine and industrial markets before sufficient references are established and customers complete all necessary analyses ahead of an investment decision. When I speak with leaders from other companies that have undergone journeys similar to Climeon’s, particularly in the marine environmental technology sector, they share the same perspective. It takes time for shipowners and shipyards to thoroughly evaluate new technologies and suppliers before they are ready to place larger volume orders.

Paralleling our efforts to finalize more customer orders, we are preparing to execute them as cost-effectively as possible. With a well-established supply chain, we are on track to deliver all ten systems ordered so far to our customers this year. Simultaneously, we have scrutinized our product and supplier chain to reduce our cost per unit. We are also analyzing various opportunities to further enhance product efficiency. Over time, this means we will be able to offer customers an even lower cost per produced kilowatt, while also preparing to face future competition and achieve desired margins.

We are continuously managing our cash flow. During the quarter, we identified and implemented measures to reduce costs and improve our operational cash flow. Some of these measures have already taken effect this quarter, while others will show results in the coming fall and next year. To enhance cash flow in the short and long term, we are actively pursuing several options, including securing new orders, optimizing working capital, and reviewing the value of other assets.

Since 2014, Climeon has held a conditional loan from the Swedish Energy Agency. The loan has been extended annually until this quarter when it was converted into a grant, leaving Climeon free from long-term debt. Additionally, during the quarter, we completed the exercise of warrants issued during the rights issue in the fourth quarter of 2023. This warrants exercise provided Climeon approximately 23 million SEK before issuance costs, funds that will be used for our continued commercialization efforts and to deliver ongoing and future customer projects.

Over three years of dedicated work, in collaboration with our suppliers, we have developed a completely new and more market-adapted product. The HeatPower 300 has been launched in the global marine market as well as in selected land-based segments for industry, geothermal applications, and land-based engines in Europe. We have secured some significant reference orders with well-established customers and ensured the entire supplier, production, and delivery chain. This achievement enables us to take on more customer projects and scale up our production capabilities. It feels fantastic.

As we move forward, we continue our journey with enthusiasm. A warm thank you to everyone involved for your efforts and the support you have shown. Wishing you all a wonderful summer ahead!

Lena Sundquist, CEO, Climeon



MARKETS AND DEVELOPMENT



MARITIME MARKET

The number of inquiries to Climeon, both for the installation of HeatPower 300 on board existing vessels and installations at shipyards for the construction of new vessels, continues to increase. As previously mentioned, Climeon has ongoing discussions regarding container ships and cruise ships, but there are now numerous inquiries for additional types of vessels, including various tankers and RoRo ships. Climeon is working with shipowners to explore the feasibility of installations on existing vessels, but the most significant increase has been the influx of inquiries directly from shipyards. This is partly because shipyards want to offer their customers more energy-efficient vessels, but primarily because many of the shipowners that Climeon has been cultivating relationships with for a long time have now specified heat recovery systems in their new construction projects to the shipyards.

Efforts to expand Climeon's global network of sales partners continued, and various collaborations are being evaluated continuously. During the quarter, a strategic cooperation agreement was signed with Grandbow Technology, a leading sales and service provider for the Chinese shipyard market. Grandbow's local expertise, strong network, and longstanding relationships with Chinese shipyards create opportunities for increased sales in the world's largest shipyard market. During the quarter, Climeon also entered into a cooperation agreement with South Korean World Ocean Co., Ltd., which has been representing foreign companies in shipbuilding, offshore operations, and marine-related construction for 30 years. Greece is one of the world's largest shipping nations, and to reach all relevant shipowners in that market, Climeon has also partnered with Franman, a highly established and reputable sales partner in the Greek marine market. The company's sales strategy involves having a central sales team working together with local partners in key marine markets. This allows the company to efficiently handle a large number of customer projects on major marine markets.

During the quarter, Climeon visited several potential customers in Asia and Europe. Additionally, Climeon participated in the Maritime Day exhibition in Åland and the Posidonia Exhibition in Greece.

For the six HeatPower 300 systems ordered by HD Hyundai Heavy Industries for Maersk, the first two systems will be delivered in July, with the remaining units to be delivered throughout the fall. The first system underwent customer acceptance testing in early July in the presence of representatives from the shipyard, the shipowner Maersk, and the classification society ABS. The two systems destined for installation on board existing container ships and to be delivered by Climeon by the end of the year are currently in the production planning phase in accordance with the customer agreement.

The EU-funded Horizon 2020 project CHEK, aimed at developing a technical platform for future ships that are more energy-efficient and have lower carbon dioxide emissions, concluded during the quarter. Over the three-year project, the focus was on exploring how future ships can be designed to meet new and more comprehensive climate requirements, with Climeon's heat recovery technology playing a part. Participation in CHEK provided Climeon with significant opportunities to introduce HeatPower 300 to potential customers and collaborators, as well as to influence legislation and regulations related to new green innovations.



ENERGY AND INDUSTRIAL MARKET

During the second quarter of 2024, similar to the previous quarter, Climeon experienced high levels of activity with numerous customer engagements and a significant influx of inquiries across all market segments.

Climeon is actively engaged in ongoing dialogues within multiple industrial projects, particularly focusing on Europe and energy-intensive process industries. These industries aim to reduce their electricity costs by generating their own weather-independent electricity, while also striving for sustainability through reduced carbon dioxide emissions. Climeon is actively collaborating with these stakeholders on sales projects with both short and long-term objectives.

In the field of Geothermal energy, Climeon is observing growing interest in its technology and is involved in several projects at various stages. Geothermal projects are seeing the highest increase in numbers, particularly in Eastern Europe where electricity prices are relatively high and geothermal energy conditions are favorable compared to alternative renewable energy sources such as wind, hydro, and solar energy.

Climeon is advancing several projects involving land-based engines with various customers in the UK. As more weather-dependent energy sources like solar and wind are integrated into the energy system, the importance of continuous stable electricity production has become increasingly critical.

Throughout the quarter, Climeon conducted numerous customer visits across different parts of Europe within all market segments. Additionally, Climeon participated in various exhibitions including the Energy Tech Summit in Spain, Sustainable Business in Stockholm, and PowerExLive in the UK.

Given the increased demand for sustainable alternatives to conventional fossil fuel electricity generation methods in combination with the continued relatively high electricity prices, the company expects the interest for Climeon's products to further increase in the coming years across all land-based market segments.





PRODUCT AND TECHNOLOGY

Three years ago, Climeon made a strategic decision to extensively revise its product strategy, resulting in the new product platform HeatPower 300. It has now been verified that the product meets market requirements, and has been successfully sold to reputable, industry-leading customers across several of Climeon's key market segments. Additionally, the entire supply chain for HeatPower 300 has been validated. For the remainder of the year, Climeon's technology and delivery departments are primarily focused on fulfilling customer agreements. With a fully established supply chain, Climeon is poised to efficiently scale up production and deliveries in line with expected increases in demand.

The overarching research and development efforts for HeatPower 300 are largely completed. Moving forward, the focus will be on further optimizing the product and its production chain to ensure Climeon can capture a significant market share in the future by continuing to offer customers competitive products at desired margins.

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 second quarter of 2024, there were no new orders for HeatPower 300 units signed, while service and aftermarket orders were signed for SEK 0.4 million. At the end of the period, the order backlog amounted to SEK 40.7 million (49.6), corresponding to 8 (11) HeatPower modules and associated services. During the quarter, orders to a value of SEK 0.8 million have been delivered, whereof the main part was related to service and aftermarket sales. Other changes in the order backlog for the quarter consisted of exchange rate fluctuations. The order backlog consists largely of orders denominated in euros, which are revalued at the end of the period.



THE GROUP'S FINANCIAL DEVELOPMENT

APRIL - JUNE

NET SALES AND EARNINGS

Net sales amounted to SEK 0.8 million (0.6) and are mainly attributable to commissioning of HeatPower 300 modules and associated aftermarket services to the company's existing customers.

Operating profit/loss amounted to SEK -24.8 million (-23.0). The quarter includes approximately SEK 0.3 million (-0.8) in non-recurring items primarily related to a revenue from a reclassification of a loan to a grant of approx. SEK 10.3 million as well as a write-down of inventory of SEK -10.0 million. Excluding these items, operating profit is fully in line with the average during previous quarters in 2023 and 2024. Costs for raw materials and consumables amounted to SEK -10.6 million (-1.6) of which the write-down of inventory, related to goods for the company's previous product generation, of SEK -10.0 million, as described above, accounted for the majority of the item.

Net financial income/expenses amounted to SEK -2.3 million (-2.0), whereof SEK 0.0 million (-4.4) relates to revaluation of the holding in Baseload Capital. Net financial items in general were affected by a negative exchange rate effect of SEK -2.3 million, mainly related to the development of the Swedish krona against the Euro. Of this, SEK -1.6 million pertains to unrealized exchange rate differences, whereof SEK -1.2 million (-0.7) was translation differences from abroad group companies.

Profit/loss after financial items amounted to SEK -27.1 million (-25.0). Depreciations and amortizations amounted to SEK -7.7 million (-6.4).

CASH FLOW

The cash flow from operating activities *before* change in working capital amounted to -18.7 MSEK (-10.5). Cash flow from operating activities *after* changes in working capital amounted to SEK -10.9 million (-22.0), whereof the change in working capital amounted to SEK 7.8 million (-11.5). The positive change in working capital consisted primarily of a decrease in accounts receivables, issued in the first quarter, that was paid in the second quarter.

Cash flow from investing activities amounted to SEK -5.9 million (-4.1), which was mainly related to investments in product development and patents of SEK -4.6 million (-5.2) as well as investments in the company's testing facilities.

Cash flow from financing activities amounted to SEK 20.3 million (-12.1) and corresponded mainly to the proceeds from the rights issue carried out, during the quarter, less costs for its implementation.

Cash flow for the quarter thus amounted to SEK 3.6 million (-38.2) where the rights issue proceeds and the positive change in working capital mentioned above was the single major deviations compared to the corresponding period of the previous year.

JANUARY - JUNE

NET SALES AND EARNINGS

Net sales amounted to SEK 14.1 million (1.1) 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 -48.5 million (-46.0). Non-recurring items during the period amounted to SEK -1.7 (-0.8) million. Total operating expenses, excluding raw materials and consumables and non-recurring items, decreased by approximately -2% during the period compared to the corresponding period last year.

Net financial income/expense amounted to SEK -0.2 million (-16.0). Profit/loss after financial items amounted to SEK -48.7 million (-62.0). Depreciations and amortizations amounted to SEK -14.8 million (-12.7).

CASH FLOW

Cash flow from operating activities *after* change in working capital amounted to SEK -39.3 million (-46.1) whereof the change in working capital amounted to SEK -7.4 million (-19.3). The negative development of working capital is mainly attributable to supplier advances and an increased stock ahead of upcoming customer deliveries.

Cash flow from investing activities amounted to SEK -15.1 million (-11.7), which was mainly related to product development and patents of SEK -12.6 million (-12.2). Cash flow from financing activities amounted to SEK 18.9 million (-23.9). The item includes received rights issue proceeds of 20.3 (0). Cash flow for the period amounted to SEK -35.5 million (-81.7).

FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 42.0 million (77.5). In addition, restricted cash amounted to 11.6 million SEK for guarantees related to future customer deliveries in 2024. Thus, *total cash and cash equivalents*, including restricted funds, amounted to 53.6 million SEK. The equity ratio amounted to 78.5 percent (76.4) and the net debt ratio amounted to -0.1 times (-0.2). Shareholder's equity amounted to SEK 298.2 million (323.8) or SEK 1.2 (1.3) per share.

DEFERRED TAX ASSET

The company has unutilized deficit carryforwards in Sweden amounting to SEK 848.6 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 14.1 million (1.1). Operating profit/loss amounted to SEK -48.2 million (-45.6) and profit/loss after financial items amounted to SEK -47.9 million (-60.9).

OTHER INFORMATION

FINANCIAL CALENDAR

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 July 12, 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 April to June amounted to 42 (41), of which 26 (27) percent are women and 74 (73) percent men. At the end of June, 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 June 30st, 2024, the company has two outstanding warrant programs as shown below. In addition to this, the annual general meeting in May 2024 decided on a new warrant program for the years 2024–2027, which as of the date of this report has not yet been implemented.

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.

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 company is currently deemed to need 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 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	Apr-Jun		Jan-Jun		Jan-Dec
		2024	2023	2024	2023	2023
Net sales	2	798	557	14,078	1,069	6,186
Capitalized work for own account		2,600	2,371	5,492	5,515	9,743
Other operating income		10,423	3,051	10,425	3,057	3,135
Total income		13,820	5,978	29,995	9,641	19,064
Operating expenses						
Raw material and consumables		-10,661	-1,646	-24,781	-2,793	-12,594
Other external expenses		-6,293	-5,908	-12,769	-13,124	-29,435
Personnel expenses		-13,908	-12,667	-26,166	-24,564	-51,366
Depreciation and amortization		-7,748	-6,425	-14,782	-12,721	-25,845
Other operating expenses		-	-2,358	-	-2,398	-2,406
Operating profit/loss		-24,789	-23,025	-48,503	-45,959	-102,580
Profit/loss from financial items						
Net financial income	5	-2,317	-2,019	-216	-16,013	-33,115
Profit/loss after financial items		-27,106	-25,045	-48,719	-61,972	-135,696
Tax		-23	-25	-43	-49	-73
Profit/loss for the period		-27,129	-25,070	-48,762	-62,020	-135,769
Earnings per share, SEK *)						
Before dilution		-0.12	-0.11	-0.22	-0.28	-0.62
After dilution		-0.12	-0.11	-0.22	-0.28	-0.62

SEK, thousand	Note	Apr-Jun		Jan-Jun		Jan-Dec
		2024	2023	2024	2023	2023
Profit/loss for the period		-27,129	-25,070	-48,762	-62,020	-135,769
Other comprehensive profit/loss for the period						
Translation differences		1,238	703	1,377	1,101	2,201
Other comprehensive profit/loss for the period		1,238	703	1,377	1,101	2,201
Comprehensive income/loss for the period		-25,891	-24,367	-47,385	-60,919	-133,568
Comprehensive income/loss for the period attributable to Shareholders of the parent company		-25,891	-24,367	-47,385	-60,919	-133,568

*) Fund issue elements from the new share issue in Q4 2023 and the exercise of warrants in Q2 2024 have 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	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets				
Intangible non-current assets	3	128,815	121,401	125,512
Tangible non-current assets	4	20,133	28,749	23,481
Financial assets	5	62,528	84,740	72,928
Total non-current assets		211,476	234,890	221,921
Inventories		54,394	42,926	44,353
Accounts receivable		15,991	26,065	23,899
Other current receivables	6	55,817	37,158	56,250
Cash and cash equivalents		42,035	57,599	77,550
Total current assets		168,237	163,747	202,051
Total Assets		379,713	398,637	423,972
Equity and liabilities				
Share capital		3,867	1,427	3,238
Other contributed capital		1,214,603	1,103,030	1,193,449
Retained earnings		-871,468	-738,168	-737,077
Profit/loss for the period		-48,762	-62,020	-135,769
Total shareholder's equity		298,240	304,268	323,841
Other provisions		6,191	7,886	7,070
Total provisions		6,191	7,886	7,070
Other non-current liabilities		3,411	25,305	16,680
Total non-current liabilities		3,411	25,305	16,680
Advance payments from customers		24,503	20,333	26,755
Accounts payable		26,890	6,368	21,384
Other current liabilities		20,479	34,477	28,243
Total current liabilities		71,872	61,178	76,381
Total equity and liabilities		379,713	398,637	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	-	-	-48,762	-48,762
Other comprehensive profit/loss for the period				
Translation differences	-	-	1,377	1,377
Other comprehensive profit/loss for the period:	-	-	1,377	1,377
Total comprehensive profit/loss	-	-	-47,385	-47,385
Transactions with share holders:				
Rights issue	629	21,154	-	21,784
Sum of transactions with shareholders	629	21,154	-	21,784
Closing balance equity Sunday-06-30	3,867	1,214,603	-920,230	298,240

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	-	-	-62,020	-62,020
Other comprehensive profit/loss for the period				
Translation differences	-	-	1,101	1,101
Other comprehensive profit/loss for the period:	-	-	1,101	1,101
Total comprehensive profit/loss	-	-	-60,919	-60,919
Closing balance equity Friday-06-30	1,427	1,103,038	-800,196	304,268

CONSOLIDATED CASH FLOW STATEMENT

SEK, thousand	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Operating activities					
Operating profit/loss	-24,789	-23,025	-48,503	-45,959	-102,580
Adjustments for items not included in cash flow	6,751	11,841	17,017	18,269	35,271
Financial items	-648	712	-384	903	-2,092
Cash flow from operating activities before changes in working capital	-18,685	-10,472	-31,870	-26,787	-69,402
Change in working capital	7,812	-11,512	-7,442	-19,349	-20,642
Cash flow from operating activities	-10,873	-21,985	-39,313	-46,136	-90,045
Investing activities					
Investments in intangible assets	-4,620	-5,168	-12,630	-12,210	-22,952
Investments in tangible assets	-1,191	-47	-2,468	-951	-1,894
Change in financial assets	-65	1,096	-	1,474	2,410
Cash flow from investing activities	-5,876	-4,119	-15,098	-11,687	-22,436
Cash flow after investing activities	-16,749	-26,104	-54,411	-57,823	-112,481
Financing activities					
Change in short-term debt	-1,448	-12,081	-2,888	-23,949	-41,490
Share issue	21,784	-	21,784	-	91,158
Premiums paid for warrants	-	-	-	-	1,064
Cash flow from financing activities	20,335	-12,081	18,895	-23,949	50,732
Cash flow for the period	3,586	-38,185	-35,515	-81,729	-61,749
Cash and cash equivalents at the beginning of the period	38,430	95,792	77,550	139,341	139,341
Exchange rate differences in cash and cash equivalents	18	-9	-	-13	-43
Cash and cash equivalents at the end of the period	42,035	57,599	42,035	57,599	77,550

PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK, thousand	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	798	557	14,078	1,069	6,186
Capitalized work for own account	2,600	2,371	5,492	5,515	9,743
Other operating income	10,423	3,051	10,425	3,057	3,135
Total income	13,820	5,978	29,995	9,641	19,064
Operating expenses	-	-	-	-	-
Raw material and consumables	-10,661	-1,646	-24,781	-2,793	-12,549
Other external expenses	-7,324	-7,218	-15,222	-15,764	-34,788
Personnel expenses	-13,921	-12,563	-26,144	-24,232	-51,042
Depreciation and amortization	-6,400	-5,036	-12,087	-10,089	-20,443
Other operating expenses	-	-2,358	-	-2,398	-2,398
Operating profit/loss	-24,486	-22,843	-48,238	-45,636	-102,156
Profit from financial items	-	-	-	-	-
Net financial income	-2,032	-1,651	385	-15,257	-31,550
Profit/loss after financial items	-26,518	-24,494	-47,853	-60,892	-133,706
Tax	-	-	-	-	-
Profit/loss for the period 1)	-26,518	-24,494	-47,853	-60,892	-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	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets			
Intangible non-current assets	128,815	121,401	125,512
Tangible non-current assets	12,003	14,759	12,295
Financial assets	82,946	106,427	94,294
Inventories	54,389	42,919	44,348
Current receivables	74,782	65,730	82,962
Cash and cash equivalents	41,897	57,456	77,155
Total Assets	394,832	408,693	436,565
Equity and liabilities			
Shareholder's equity	322,535	329,239	348,604
Provisions	6,191	7,886	7,070
Non-current liabilities	-	10,381	10,381
Current liabilities	66,107	61,187	70,510
Total equity and liabilities	394,832	408,693	436,565

THE CLIMEON SHARE

LARGEST SHAREHOLDERS PER JUNE 30, 2024

Shareholders	Number of shares		Capital, %	Number of votes	Voting rights, %
	Series A	Series B			
Cidro Förvaltning AB	-	51,000,000	19.8	51,000,000	17.4
Försäkringsaktiefbolaget Avanza Pension	-	24,282,525	9.4	24,282,525	8.3
Skandinaviska Enskilda Banken SEB-Stiftelsen	-	14,366,185	5.6	14,366,185	4.9
Futur Pension Försäkringsaktiefbolag	-	14,044,044	5.4	14,044,044	4.8
Wilhelm Risberg	-	12,151,943	4.7	12,151,943	4.1
Fredrik Lundgren	-	12,113,914	4.7	12,113,914	4.1
Nordnet Pensionsförsäkring AB	-	11,400,226	4.4	11,400,226	3.9
Thomas Östrom	3,900,000	5,675,344	3.7	44,675,344	15.3
MP Pensjon PK	-	7,640,941	3.0	7,640,941	2.6
SEB AB Luxembourg Branch	-	6,550,297	2.5	6,550,297	2.2
Clearstream Banking S.A.	-	6,387,789	2.5	6,387,789	2.2
Joachim Karthäuser	-	3,775,411	1.5	3,775,411	1.3
Olle Bergström	-	3,168,063	1.2	3,168,063	1.1
Swedbank AS Estonia	-	1,453,991	0.6	1,453,991	0.5
Karolina Tham von Heidenstam	-	1,306,640	0.5	1,306,640	0.4
Others	-	78,578,374	30.5	78,578,374	26.8
Total	3,900,000	253,895,687	100.0	292,895,687	100.0

SHARE PRICE DEVELOPMENT



	Apr-Jun	jan-dec	
	2024	2023	2023
Total number of issued shares at period end	257,795,687	257,795,687	257,795,687
Average number of shares outstanding	218,611,301	218,611,301	218,611,301
Earnings per share, before and after dilution, SEK	-0.12	-0.11	-0.62
Equity per share, SEK	1.16	1.18	1.26

SHARE INFORMATION

The number of shares in Climeon amounts to 257,795,687 with quota value of 0.015 SEK, of which 3,900,000 are Class A shares, 10 votes/share, and 253,895,687 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 0.60 at the end of the period.

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	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Revenue type					
Hardware	739	470	13,623	965	6,041
Consulting and support services	59	87	455	104	145
Total	798	557	14,078	1,069	6,186
Geographic market					
Sweden	72	56	272	121	244
Europe	726	501	12,885	948	5,942
North America	-	-	335	-	-
Asia	-	-	586	-	-
Total	798	557	14,078	1,069	6,186

NOTE 3 INTANGIBLE ASSETS

Intangible assets of the Group comprise capitalized expenditure on development SEK 124.9 million (121.6) and patents SEK 3.9 million (3.9). Depreciations during the quarter amounted to SEK 5.0 million (3.1) and write-downs during the period amounted to SEK 0.0 million (0.0). Accumulated depreciations of the period amounted to SEK 9.3 million (6.2) and accumulated write-downs of the period amounted to SEK 0.0 million (0.0).

NOTE 4 TANGIBLE ASSETS

Tangible assets of the Group comprise leasehold improvements SEK 9.0 million (8.8), right-of-use assets, SEK 8.1 million (10.8), equipment SEK 1.4 million (1.5), technical equipment SEK 1.3 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). Accumulated depreciations of the period amounted to SEK 2.8 million (3.8).

NOTE 5 FINANCIAL ASSETS

Financial assets of the Group amount to SEK 62.5 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 (-4.4). Accumulated revaluation of the year amount to SEK 0.0 million (-18.0). 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. The transaction does not have a net liquidity impact on Climeon as the company simultaneously repurchased a number of unused modules and will bring back a previously received pre-payment for a corresponding value. The remaining sale of shares, amounting to approximately SEK 16.9 million, is expected to occur during the third 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 June 30, 2024, 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.

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, July 12th, 2024

Håkan Osvald
Chairman of the Board

Thomas Öström
Board member

Liselotte Duthu Törnblom
Board member

Sebastian Ehrnrooth
Board member

Joakim Thölin
Board member

Lena Sundquist
CEO

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

KEY NUMBERS FOR THE GROUP

	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Order intake, SEK million	0.4	12.8	0.8	13.0	52.0
Order backlog, SEK million	40.7	49.6	40.7	49.6	80.5
Equity ratio (%)	78.5	76.3	78.5	76.3	76.4
Debt ratio (times)	0.3	0.3	0.3	0.3	0.3
Net debt ratio (times)	-0.1	-0.1	-0.1	-0.1	-0.2
Earnings per share, before and after dilution, SEK	-0.12	-0.11	-0.22	-0.28	-0.62
Equity per share, SEK	1.16	1.18	1.16	1.18	1.26
Share price at period end, CLIME B, SEK	0.60	3.35	0.60	3.35	1.80
Cash and cash equivalents, SEK million	42.0	57.6	42.0	57.6	77.5

**) Fund issue elements from the new share issue in Q4 2023 and the exercise of warrants in Q2 2024 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			
	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	0.8	13.3	1.2	3.9	0.6	0.5
Capitalized work for own account	2.6	2.9	2.7	1.5	2.4	3.1
Other operating income	10.4	0.0	0.1	0.0	3.1	0.0
Operating expenses						
Raw material and consumables	-10.7	-14.1	-3.5	-6.3	-1.6	-1.1
Other external expenses	-6.3	-6.5	-5.0	-11.3	-5.9	-7.2
Personnel expenses	-13.9	-12.3	-14.3	-12.6	-12.7	-11.9
Depreciation and amortization	-7.7	-7.0	-6.3	-6.8	-6.4	-6.3
Other operating expenses	-	-	-0.0	-	-2.4	-0.0
Operating profit/loss	-24.8	-23.7	-25.1	-31.6	-23.0	-22.9
Net financial income	-2.3	2.1	-10.9	-6.2	-2.0	-14.0
Profit/loss after financial items	-27.1	-21.6	-36.0	-37.7	-25.0	-36.9
Tax	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Profit/loss for the period	-27.1	-21.6	-36.0	-37.8	-25.1	-37.0
Earnings per share, before and after dilution, SEK	-0.12	-0.10	-0.16	-0.17	-0.11	-0.17

**) Fund issue elements from the new share issue in Q4 2023 and the exercise of warrants in Q2 2024 have been taken into account in the calculation of earnings per share before and after dilution, which is why comparative figures have been recalculated.*

BALANCE SHEET

SEK, million	2024			2023		
	Q2	Q1	Q4	Q3	Q2	Q1
Intangible non-current assets	128.8	129.2	125.5	121.8	121.4	121.7
Tangible non-current assets	20.1	22.0	23.5	25.6	28.7	32.0
Financial assets	62.5	62.6	72.9	80.9	84.7	90.2
Total non-current assets	211.5	213.9	221.9	228.3	234.9	243.9
Inventories	54.4	46.0	44.4	40.2	42.9	46.6
Current receivables	71.8	75.6	80.1	53.9	63.2	49.6
Cash and cash equivalents	42.0	38.4	77.5	23.1	57.6	95.8
Total current assets	168.2	160.1	202.1	117.3	163.7	192.0
Total assets	379.7	373.9	424.0	345.6	398.6	436.0
Shareholder's equity	298.2	302.3	323.8	268.1	304.3	328.6
Non-current liabilities and other provisions	9.6	21.5	23.8	31.0	33.2	34.6
Current liabilities	71.9	50.1	76.4	46.5	61.2	72.8
Total equity and liabilities	379.7	373.9	424.0	345.6	398.6	436.0

CASH FLOW STATEMENT

SEK, million	2024			2023		
	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	-18.7	-13.2	-21.4	-21.2	-10.5	-16.3
Changes in working capital	7.8	-15.3	-6.3	5.0	-11.5	-7.8
Cash flow from operating activities	-10.9	-28.4	-27.6	-16.3	-22.0	-24.2
Investing activities	-5.9	-9.2	-7.8	-3.0	-4.1	-7.6
Cash flow after investing activities	-16.7	-37.7	-35.4	-19.3	-26.1	-31.7
Financing activities	20.3	-1.4	89.8	-15.1	-12.1	-11.9
Cash flow for the period	3.6	-39.1	54.4	-34.4	-38.2	-43.5
Cash and cash equivalents at the beginning of the period	38.4	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	-0.0
Cash and cash equivalents at the end of the period	42.0	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)

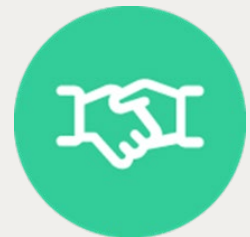
CORE VALUES



DO GOOD



BE A TEAMPLAYER



ALWAYS DELIVER

HEADQUARTERS

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CLIMEON

POWERING A SUSTAINABLE FUTURE