

# INTERIM REPORT

JANUARY 1 - MARCH 31, 2025

  
Q1  
2025

## NEW GLOBAL REGULATIONS TO REDUCE SHIP CO<sub>2</sub> EMISSIONS DRIVE INVESTMENT IN ENERGY-EFFICIENT TECHNOLOGY

New global regulations accelerating the maritime industry's climate transition have been accepted. Climeon has achieved successful HeatPower installations. The first retrofit installation of the HeatPower 300 was completed on a container vessel. At the same time, commissioning began for the six units previously ordered by the Korean shipyard HD-HHI for A.P. Møller-Maersk. These units will be commissioned during the summer and autumn. Additionally, four HeatPower 150 units were commissioned at Landmark Power Holdings' power plant in Rhodesia, UK.

In addition to the cost-saving program initiated in 2024, which has now begun to show effect, Climeon has implemented additional savings measures, such as relocating its offices, which will have full effect during 2025–2026. All decisions made at the Extraordinary General Meeting in December 2024 have now been executed.

### IMPORTANT EVENTS DURING THE PERIOD

- During the quarter, the number of inquiries to Climeon continued to increase. Discussions with shipyards and shipowners are becoming increasingly concrete regarding specifications and integration on board, and several projects progressed to the next phase during the quarter.
- Climeon successfully completed the first of two planned retrofit installations of the HeatPower 300 on an existing container vessel. Installations on vessels already in service open up a new market with significant global sales potential.
- Installation of the six HeatPower 300 units ordered by the Korean shipyard HD-HHI for A.P. Møller-Maersk is ongoing. Preparations for commissioning of the first units have been made.
- Climeon completed commissioning of four HeatPower 150 units at Landmark Power Holdings' power plant in Rhodesia, UK.
- During 2024 and the first quarter of 2025, the company implemented extensive cost-saving measures across operations and to streamline the production and supply chain for HeatPower 300. The savings are expected to take full effect from 2025 onwards.
- All resolutions passed at the Extraordinary General Meeting on December 9, 2024, including the appointment of Sebastian Ehrnrooth as Chairman of the Board, a reverse stock split (10:1), and an employee and board-wide options program, have now been implemented.

### JANUARY - MARCH

- Order intake amounted to SEK 0.0 million (0.4)
- Net sales amounted to SEK 5.2 million (13.3)
- Order backlog amounted to SEK 13.4 million (18.5)
- Operating profit amounted to SEK -40.0 million (-23.7), including a one-off inventory write-down of SEK -14.0 million (0.0) related to HeatPower 150 components
- Profit/loss after financial items amounted to SEK -43.3 million (-21.6), also including the SEK -14.0 million inventory write-down
- Earnings per share, before and after dilution, amounted to SEK -1.22 (-1.00)
- Cash flow from operating activities after changes in working capital amounted to SEK -9.4 million (-28.4)
- Total cash and cash equivalents amounted to SEK 12.2 million (26.3)
- Additionally, restricted cash amounted to SEK 2.7 million related to guarantees for upcoming customer deliveries, which will begin to be released in Q3 2025. Total liquidity including restricted funds was SEK 14.9 million.

### POST CLOSING EVENTS

The IMO has accepted a proposal for new global regulations to reduce greenhouse gas emissions from international shipping. A global CO<sub>2</sub> tax is planned for implementation in 2027.

A WORD FROM OUR CEO:



Lena Sundquist, CEO of Climeon

***“Climeon is receiving an increasing number of inquiries from shipyards and shipowners interested in integrating ORC technology on board for waste heat recovery.”***

## **New Global Regulations Driving the Maritime Industry's Climate Transition Have Been Accepted, and the Number of New Ships Including ORC in Their Specifications Has Reached a New Level**

In the first quarter of 2025, global turbulence increased even further. Geopolitical tensions continued to escalate, and the United States announced sweeping tariff hikes targeting much of the world. Climeon is not directly exposed to the U.S. market or the new tariffs. At this time, we also do not foresee any indirect effects that would impact Climeon. Like many others, we are closely monitoring global developments and will adapt our operations if needed. In the markets we focus on—maritime, industrial, and energy—we see improving conditions for Climeon.

In April, a majority of member countries of the IMO (International Maritime Organization) approved a new regulatory framework and financial incentive scheme to reduce greenhouse gas emissions from international shipping. The regulation is expected to formally take effect in 2027, with the financial measures scheduled to begin on January 1, 2028. The system is similar to a global CO<sub>2</sub> tax and resembles the EU's FuelEU concept. It is intended to both accelerate the technical transition and create an economic fund to be reinvested in the maritime sector's climate transition. Meanwhile, the EU Emissions Trading System (EU ETS) remains in force, meaning that shipowners must now pay for CO<sub>2</sub> emissions when calling at European ports. Together, these new rules and incentives further strengthen the business case for the maritime industry to invest in technology that reduces fuel consumption and CO<sub>2</sub> emissions.

Shipping companies are increasingly working to improve the energy efficiency of their fleets to meet stricter environmental regulations. Climeon continues to

receive more inquiries from shipyards and shipowners looking to integrate ORC technology for waste heat recovery. These discussions are becoming more detailed, and several projects moved forward to the next phase during the quarter.

In Q2 this year, the first HeatPower 300 units in commercial operation will begin producing electricity at sea. First up is the retrofit installation on an existing container ship completed in Q1. In May, when the ship returns to Europe from its voyage to China, our team will board to commission the system and hand it over to the crew. Just weeks later, we'll begin commissioning the first of six HeatPower 300 units installed on A.P. Møller-Maersk's new series of vessels currently being built by HD Hyundai in South Korea. These are important milestones—not just for Climeon, but for the maritime industry, which will be able to demonstrate real reductions in fuel use and CO<sub>2</sub> emissions through low-temperature heat recovery on both newbuilds and existing ships.

In the energy and industrial markets, we're also involved in several projects using our technology—including significant interest from engine-based power plants where customers aim to improve fuel efficiency and reduce emissions. During the quarter, we commissioned four HeatPower 150 units at Landmark Power Holdings' power plant in Rhodesia, UK. Several similar plants are in the planning stage with Climeon's technology already specified. The two HeatPower 300 units installed at the NEO Group's PET resin plant in Lithuania continuously deliver sustainable electricity, and we've now begun providing service there. We are working on several new and exciting projects in the energy and industrial space that we look forward to sharing more about over the year.

In addition to the cost-saving program launched in 2024, which has now started to show results, we've implemented further measures—such as relocating offices—that will have full effect during 2025–2026. Our former subsidiary in Japan and our branch office in Iceland have now been closed. All actions decided at the Extraordinary General Meeting last December have now been executed. These efforts have brought Climeon to a new cost level—better aligned with the sales and delivery phase we are currently in and moving toward.

2025 is shaping up to be an exciting year. We welcome you to follow us on our journey!

*Lena Sundquist, CEO, Climeon*



## MARKETS AND DEVELOPMENT



### MARITIME MARKET

In autumn 2024, Nova Algoma Cement Carriers (NACC), a company specializing in dry bulk transport, placed an order for a HeatPower 300 system for a new methanol-powered dual-fuel bulk carrier that will transport dry cement. Preparatory work began during the quarter. All necessary approvals from the customer and relevant authorities are in place, including certification by RINA (Registro Italiano Navale), the classification society selected by the customer. This order broadens Climeon's marine reference base for the HeatPower 300 to now include bulk carriers and Chinese shipyards.

During the quarter, Climeon also completed installation of its first retrofit HeatPower 300 system. Commissioning is scheduled for Q2 2025. Commissioning of the six HeatPower 300 units delivered to HD Hyundai Heavy Industries is expected to begin in the summer.

These installations—on both newbuilds and existing vessels—align with the maritime industry's transition toward more efficient technologies and cleaner fuels to meet increasingly stringent environmental regulations.

Environmental requirements are being enforced through mechanisms such as the EU ETS (EU Emissions Trading System), which now also applies to the maritime sector. This means that shipowners operating in Europe must purchase emission allowances for the CO<sub>2</sub> they emit. In 2025, emission allowances are expected to cost around EUR 70 per ton of CO<sub>2</sub>. According to a Bloomberg analysis, prices could exceed EUR 200 per ton by 2040.

Additionally, the EU FuelEU Maritime regulation came into effect in 2025. It aims to accelerate the shift from fossil fuels to greener alternatives by making it more expensive to use fossil fuels in European waters compared to fuels with lower carbon intensity.

In April 2025, the IMO approved the proposal for a new global regulatory framework aimed at reducing greenhouse gas emissions from international shipping. The regulation is expected to formally enter into force in 2027, with the associated financial requirements planned to take effect from 1 January 2028. The rules apply to vessels over 5,000 gross tonnes (GT) and are based on a new metric — GHG Fuel Intensity (GFI) — which measures emissions per unit of energy from fuels and other onboard energy sources. Ships will be required to report their achieved GFI annually and comply with a mandatory reduction target, known as the Direct Compliance target, which will become more stringent each year. If a vessel fails to meet the target — for example, by not switching to a lower-carbon fuel — it will be required to compensate by purchasing emission allowances from the IMO's newly established Net-Zero Fund. Prices for these allowances are set at two levels depending on the ship's GFI performance: USD 100 per tonne of CO<sub>2</sub> at the lower level and USD 380 per tonne at the upper level. These prices may be subject to change. The system is similar to the EU's

FuelEU Maritime concept and is intended to both accelerate the industry's technical transition and create a financial fund that will be reinvested in the sector's decarbonisation efforts. It should be noted that further discussions are required, and a final decision is scheduled for October this year to formally adopt the proposal.

The new regulatory framework, together with the EU's environmental requirements, further strengthens the maritime industry's incentive to invest in technologies that reduce fuel consumption and CO<sub>2</sub> emissions. Although overall cost projections are uncertain, a fossil-fuel-powered vessel operating 50% of the time within the EU could see its operating costs for fuel and CO<sub>2</sub> double by 2045—and potentially triple if the global IMO tax is also implemented. This creates an even stronger business case for shipowners, with shorter payback periods for investments in Climeon's HeatPower systems.

During the quarter, inquiries to Climeon continued to rise. Customers are now significantly more knowledgeable and informed about low-temperature heat recovery technology, although further information is still needed in certain areas. The technical specifications provided in recent ship design documents are well aligned with the requirements of the HeatPower 300, indicating that Climeon holds a strong market position and that its technology is well matched to customer needs.

Discussions with shipyards and shipowners are becoming increasingly specific in terms of system specifications and onboard integration, and several projects progressed to the next phase during the quarter. Climeon has historically focused primarily on container and passenger vessels. Interest from the latter group has increased notably in recent months, a trend also seen in the Ro-Ro and Ro-Pax segments. Other sectors showing both strong interest and potential include bulk carriers, LNG carriers, and icebreakers.

Sales partnerships signed with companies such as Grandbow Technology in China, World Ocean in Korea, and Franman in Greece are enabling Climeon to expand its market presence in a cost-effective way.



## ENERGY AND INDUSTRIAL MARKET

Climeon's focus markets within industry and energy are primarily located in the EU, and the company has continued discussions with potential customers—mainly energy-intensive process industries seeking to reduce electricity costs and lower their carbon emissions. The two HeatPower 300 units previously installed at NEO Group's PET resin plant in Lithuania are now fully operational. This installation serves as a strong reference case, demonstrating the potential of low-temperature waste heat recovery in the industrial sector, and helping to raise awareness of ORC technology as a proven and cost-effective solution for improving energy efficiency and reducing emissions.

Another important market is land-based power generation, where Climeon, during the quarter, completed the commissioning of four units of the earlier product generation, HeatPower 150, at the Rhodesia power plant project in the UK, operated by Landmark Power Holdings. The company is continuing discussions with Landmark and other prospective customers regarding upcoming power projects—primarily in the UK—where Climeon is working to integrate its technology into engine-based power plants.

In the geothermal sector, interest in Climeon's technology continues to grow, and the company is engaged in several projects at various stages of development. Demand for HeatPower technology has also increased from both South and Central America, as well as from the Asian market. A relatively new area of interest is among large data centre operators, who are exploring ways to make more efficient use of their excess heat.



## TECHNOLOGY DEVELOPMENT AND PRODUCTION

The first units of the HeatPower 300 product platform have been delivered, installed, and commissioned. The core development work on HeatPower 300 has been completed, but the platform's functionality, performance, and production cost are continuously evaluated to ensure long-term competitiveness. The platform is also being continuously adapted for different applications, based on the needs and technical requirements of various potential markets.

Climeon now has an established production and supply chain in place, enabling rapid scale-up of both manufacturing and deliveries. The company also has a growing service and spare parts infrastructure, which will contribute to increased service revenues as sales volumes grow.

The HeatPower 300 platform currently meets all requirements set by international classification societies such as Lloyd's Register, DNV, ABS, and most recently RINA. It also complies with relevant Grid Code standards that determine whether equipment may be connected to electricity grids in different European countries.

Installation of the six HeatPower 300 systems intended for the new container ships being built by HD-HHI in Korea for A.P. Møller-Maersk is underway. Commissioning is planned to continue through the summer and autumn, until the last of the six vessels has been approved and delivered.

In addition, during the quarter Climeon installed the first of two retrofit HeatPower 300 systems on a container vessel. These systems for existing ships are specifically designed for efficient installation in confined onboard spaces without affecting vessel operations.

Four units of the previous product generation, HeatPower 150, were commissioned at Landmark Power Holdings' power plant in the UK. Next, two additional HeatPower 150 units are scheduled for commissioning on vessels operated by the Norwegian shipping company Havila.

Climeon has secured a stock of spare parts for HeatPower 150 to continue providing service and support to its existing customers. However, going forward, the company's market and sales activities will be focused on the HeatPower 300 platform.

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## EXTERNAL IMPACT

At present, Climeon is not directly affected by global geopolitical conflicts or by newly introduced or proposed tariffs. However, the company is closely monitoring developments and is prepared to act proactively to mitigate any potential negative impacts.

## ORDER INTAKE AND ORDER BACKLOG

At the end of the first quarter of 2025, the order backlog amounted to SEK 13.4 million (compared to SEK 18.5 million in the same period last year), corresponding to 2 (18) HeatPower systems and related services.

No new orders for HeatPower systems were signed during the period. However, deliveries on existing orders were made during the quarter, amounting to SEK 4.3 million, the majority of which related to hardware deliveries to the marine market, along with service and aftermarket deliveries.

Other changes to the order backlog during the quarter were due to currency exchange rate fluctuations. The backlog mainly consists of euro-denominated orders, which are revalued at the end of each reporting period.



## THE GROUP'S FINANCIAL DEVELOPMENT

### JANUARY - MARCH

#### NET SALES AND EARNINGS

Net sales amounted to SEK 5.2 million (13.3). The revenue is primarily attributable to deliveries and commissioning of HeatPower 300 systems, as well as aftermarket income. Operating result amounted to SEK -40.0 million (-23.7). The result for the period includes a one-off inventory write-down of SEK -14.0 million related to components for the HeatPower 150 system.

During 2024 and the first quarter of 2025, the company has implemented extensive cost-saving measures, both in ongoing operations and to establish a more efficient and resource-optimized production and supply chain for HeatPower 300. The savings in ongoing operations are expected to have full effect during the 2025 financial year and beyond.

Financial items amounted to SEK -3.3 million (2.1), directly related to foreign exchange rate changes. The result after financial items for the period was SEK -43.3 million (-21.6). Depreciation and amortization of fixed assets amounted to SEK -8.8 million (-7.0). Depreciation increased slightly in 2025 due to more development projects entering the amortization phase during the period.

#### CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK -9.4 million (-28.4), of which the change in working capital was SEK 11.9 million (-15.3). The improvement compared to the previous period is mainly attributable to customer deliveries that were both shipped and paid for during the period.

Cash flow from investing activities amounted to SEK -3.2 million (-9.2), primarily related to product development and patents totaling SEK -3.1 million (-8.0). Cash flow from financing activities was SEK -1.6 million (-1.4), related to leasing costs. Total cash flow for the period amounted to SEK -14.2 million (-39.1).

#### FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 12.2 million (26.3). In addition, restricted cash amounted to SEK 2.7 million, relating to guarantees that will be released in connection with customer deliveries in Q3 2025. Total cash and cash equivalents, including restricted funds, thus amounted to SEK 14.9 million. The equity ratio was 90.3 percent (89.2), and the net debt-to-equity ratio was 0.0 times (-0.1). Equity amounted to SEK 244.9 million (288.1), corresponding to SEK 6.9 (8.1) per share.

#### DEFERRED TAX ASSET

The company has unused tax loss carryforwards in Sweden amounting to SEK 950.0 million (925.2), the tax effect of which has not been recognized as a deferred tax asset in the balance sheet. These loss carryforwards have no expiration date.

#### THE PARENT COMPANY

The Parent Company's net sales for the period amounted to SEK 5.2 million (13.3). Operating result amounted to SEK -40.2 million (-23.8) and result after financial items was SEK -43.4 million (-21.3).

## FINANCIAL CALENDAR

## Annual Report 2024

May 20th, 2025

## Annual General Meeting 2025

June 10th, 2025

## Interim Report of the 2nd quarter 2025

July 11th, 2025

## Interim Report of the 3rd quarter 2025

November 4th, 2025

## 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, 2025, at 07:30 (CET).

After publication, the report is available on the company's website, [www.climeon.com](http://www.climeon.com)

## OTHER INFORMATION

## PERSONNEL AND ORGANIZATION

The average number of employees during the period of January to March amounted to 35 (38), of which 29 (29) percent are women and 71 (71) percent men. At the end of March, the number of employees amounted to 35 (35). 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.

During the month of February, Climeon has terminated and closed its wholly owned subsidiary in Japan, Climeon Japan KK. The Company has no further commitments or financial exposure in Japan following the closure of the subsidiary.

## WARRANT PROGRAMS

The purpose of the share incentive program is to encourage ownership interest in the company through long-term financial interests in order to strengthen the ties between shareholders and employees. Over the years, Climeon has established several share incentive programs based on capital-taxed warrants. As of March 31, 2025, the company had two outstanding warrant programs and one employee stock option program for employees and board members as set out below. At the Extraordinary General Meeting in December 2024, it resolved on a new employee and board option program for the years 2025–2028 for a total of 2,248,000 warrants with the right to subscribe for an equal number of Class B shares. The program is linked to a barrier condition of SEK 20 per share and a subscription price of SEK 0.15 (quota value).

Further information regarding the warrant programs can be found on pages 81–82 in the Annual Report for 2023 and on the company's website.

Warrant program	Number of warrants	Number of new Class B shares*	Subscription course	Exercise period
Program 2022/2025	997 500	111 720	166,8	1 Sept - 30 Sept 2025
Program 2023/2026	1 798 600	179 860	61,8	1 Sept - 30 Sept 2026
<b>Completely</b>	<b>2 796 100</b>	<b>291 580</b>		

Employee stock option program	Number of warrants	Number of new Class B shares*	Subscription course	Exercise period
Program 2025/2028	1 717 500	1 717 500	0,15	19 February 2028 - 31 Dec 2028
<b>Completely</b>	<b>1 717 500</b>	<b>1 717 500</b>		

## MATERIAL RISKS AND UNCERTAINTIES

As a relatively young company with a limited number of Heat Power systems in operation, the company is exposed to a number of operational and financial risks. A statement of the company's material risks and risk management can be found on pages 55–58 of the Annual Report for 2023.

*Continued operation*

Currently, the company is assessed, within a twelve-month period, to be in need of external financing to be able to continue conducting operations. Such financing may come from existing or new shareholders, or from third parties through public or private financing options. The company's financial statements have been prepared with the assumption of going concern, but there is also an uncertainty factor regarding the availability of capital during this period. Climeon's focus will thus continue to be to nurture and plan for the company's cash flow and liquidity in both the short and 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
		2025	2024	2024
Net sales	2	5,197	13,280	42,587
Capitalized work for own account		2,495	2,892	9,535
Other operating income		112	3	12,091
<b>Total income</b>		<b>7,804</b>	<b>16,175</b>	<b>64,213</b>
<b>Operating expenses</b>				
Raw material and consumables		-22,822	-14,121	-61,331
Other external expenses		-5,299	-6,476	-23,245
Personnel expenses		-10,656	-12,258	-48,382
Depreciation and amortization		-8,760	-7,035	-33,255
Other operating expenses		-243	-	-303
<b>Operating profit/loss</b>		<b>-39,976</b>	<b>-23,714</b>	<b>-102,304</b>
<b>Profit/loss from financial items</b>				
Interest income and other financial items		317	4,648	12,432
Interest expenses and other financial items		-3,602	-2,547	-13,802
Net financial income	5	-3,285	2,101	-1,369
<b>Profit/loss after financial items</b>		<b>-43,261</b>	<b>-21,613</b>	<b>-103,674</b>
Tax		-32	-20	-116
<b>Profit/loss for the period</b>		<b>-43,293</b>	<b>-21,633</b>	<b>-103,790</b>
<b>Earnings per share, SEK *)</b>				
Before dilution		-1.22	-1.00	-3.97
After dilution		-1.22	-1.00	-3.97

SEK, thousand	Note	Jan-Mar		Jan-Dec
		2025	2024	2024
Profit/loss for the period		-43,293	-21,633	-103,790
<b>Other comprehensive profit/loss for the period</b>				
Translation differences		90	139	-355
<b>Other comprehensive profit/loss for the period</b>		<b>90</b>	<b>139</b>	<b>-355</b>
<b>Comprehensive income/loss for the period</b>		<b>-43,203</b>	<b>-21,494</b>	<b>-104,145</b>
<b>Comprehensive income/loss for the period attributable to Shareholders of the parent company</b>		<b>-43,203</b>	<b>-21,494</b>	<b>-104,145</b>

\*) Fund issue elements from the new share issue in Q4 2023, warrant redemption in Q2 2024 and reverse share split have been taken into account in the calculation of earnings per share before and after dilution, which has resulted in recalculation of comparative figures.



**CONSOLIDATED BALANCE SHEET**

SEK, thousand	Note	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Assets</b>				
Intangible non-current assets	3	128,432	129,213	131,588
Tangible non-current assets	4	12,019	22,019	14,633
Financial assets	5	42,182	62,646	42,258
<b>Total non-current assets</b>		<b>182,633</b>	<b>213,879</b>	<b>188,478</b>
Inventories		48,189	46,009	53,001
Accounts receivable		14,153	26,941	20,230
Other current receivables	6	14,059	48,673	34,971
Cash and cash equivalents		12,173	38,430	26,335
<b>Total current assets</b>		<b>88,575</b>	<b>160,052</b>	<b>134,537</b>
<b>Total Assets</b>		<b>271,208</b>	<b>373,931</b>	<b>323,015</b>
<b>Equity and liabilities</b>				
Share capital		5,343	3,238	5,343
Other contributed capital		1,396,237	1,193,449	1,399,366
Retained earnings		-1,113,381	-872,707	-1,012,811
Profit/loss for the period		-43,293	-21,633	-103,790
<b>Total shareholder's equity</b>		<b>244,906</b>	<b>302,347</b>	<b>288,109</b>
Other provisions		3,605	6,262	4,723
Other non-current liabilities		-	15,240	600
<b>Total non-current liabilities</b>		<b>3,605</b>	<b>21,501</b>	<b>5,322</b>
Advance payments from customers	5	4,202	24,649	3,717
Accounts payable		5,073	7,613	8,673
Other current liabilities		13,421	17,821	17,194
<b>Total current liabilities</b>		<b>22,696</b>	<b>50,082</b>	<b>29,584</b>
<b>Total equity and liabilities</b>		<b>271,208</b>	<b>373,931</b>	<b>323,015</b>

## 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 2025-01-01	5,343	1,259,735	-976,970	288,109
Comprehensive profit/loss				
Profit/loss for the period	-	-	-43,293	-43,293
Other comprehensive profit/loss for the period				
Translation differences	-	-	90	90
Other comprehensive profit/loss for the period:	-	-	90	90
Total comprehensive profit/loss	-	-	-43,203	-43,203
Transactions with share holders:				
Sum of transactions with shareholders	-	-	-	-
Closing balance equity 2025-03-31	5,343	1,259,735	-1,020,173	244,906

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 CASH FLOW STATEMENT

SEK, thousand	Jan-Mar		Jan-Dec
	2025	2024	2024
<b>Operating activities</b>			
Operating profit/loss	-39,976	-23,714	-102,304
Adjustments for items not included in cash flow	19,478	10,265	38,906
Financial items	-812	264	-4,120
<b>Cash flow from operating activities before changes in working capital</b>	<b>-21,310</b>	<b>-13,185</b>	<b>-67,518</b>
Change in working capital	4,812	7,772	-7,710
Change in accounts receivable	12,984	-1,857	18,556
Change in accounts payable	-5,886	-21,169	-26,695
<b>Cash flow from operating activities</b>	<b>-9,400</b>	<b>-28,439</b>	<b>-83,367</b>
<b>Investing activities</b>			
Investments in intangible assets	-3,112	-8,010	-28,238
Investments in tangible assets	-121	-1,277	-2,545
Change in financial assets	76	65	250
<b>Cash flow from investing activities</b>	<b>-3,157</b>	<b>-9,222</b>	<b>-30,533</b>
<b>Cash flow after investing activities</b>	<b>-12,557</b>	<b>-37,661</b>	<b>-113,900</b>
<b>Financing activities</b>			
Change in lease debt	-1,605	-1,440	-5,726
Share issue	-	-	68,413
Premiums paid for warrants	-	-	-
<b>Cash flow from financing activities</b>	<b>-1,605</b>	<b>-1,440</b>	<b>62,687</b>
<b>Cash flow for the period</b>	<b>-14,162</b>	<b>-39,101</b>	<b>-51,213</b>
Cash and cash equivalents at the beginning of the period	26,335	77,550	77,550
Exchange rate differences in cash and cash equivalents	-	-18	-1
<b>Cash and cash equivalents at the end of the period</b>	<b>12,173</b>	<b>38,430</b>	<b>26,335</b>

## PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK, thousand	Jan-Mar		Jan-Dec
	2025	2024	2024
Net sales	5,197	13,280	42,587
Capitalized work for own account	2,495	2,892	9,535
Other operating income	112	3	12,091
<b>Total income</b>	<b>7,804</b>	<b>16,175</b>	<b>64,213</b>
<b>Operating expenses</b>			
Raw material and consumables	-22,822	-14,121	-61,331
Other external expenses	-6,866	-7,897	-29,106
Personnel expenses	-10,656	-12,222	-48,359
Depreciation and amortization	-7,415	-5,687	-27,864
Other operating expenses	-243	-	-13
<b>Operating profit/loss</b>	<b>-40,198</b>	<b>-23,752</b>	<b>-102,460</b>
<b>Profit from financial items</b>			
Interest income and other financial items	317	4,826	13,024
Interest expenses and other financial items	-3,532	-2,409	-38,827
Net financial income	-3,215	2,417	-25,803
<b>Profit/loss after financial items</b>	<b>-43,414</b>	<b>-21,335</b>	<b>-128,263</b>
Allocations	-	-	-
Tax	-	-	-
<b>Profit/loss for the period 1)</b>	<b>-43,414</b>	<b>-21,335</b>	<b>-128,263</b>

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 2025	31 Mar 2024	31 Dec 2024
<b>Assets</b>			
Intangible non-current assets	128,432	129,213	131,588
Tangible non-current assets	7,870	12,194	9,139
Financial assets	42,047	84,070	42,091
<b>Total non-current assets</b>	<b>178,349</b>	<b>225,477</b>	<b>182,817</b>
Inventories	48,189	46,003	53,001
Accounts receivable	14,153	26,671	20,230
Other current receivables	14,059	51,803	34,971
Cash and cash equivalents	12,167	38,181	26,318
<b>Total current assets</b>	<b>88,569</b>	<b>162,658</b>	<b>134,520</b>
<b>Total Assets</b>	<b>266,918</b>	<b>388,135</b>	<b>317,338</b>
<b>Equity and liabilities</b>			
Share capital	5,343	3,238	5,343
Reserve for development costs	132,389	-66,400	-
Share premium reserve	1,258,741	1,192,377	1,399,366
Retained earnings	-1,151,134	-801,945	-1,115,956
<b>Shareholder's equity</b>	<b>245,340</b>	<b>327,269</b>	<b>288,753</b>
Provisions	3,605	6,262	4,723
Other non-current liabilities	-	10,381	-
<b>Total Non-current liabilities</b>	<b>3,605</b>	<b>16,643</b>	<b>4,723</b>
Advance payments from customers	4,202	24,649	3,717
Accounts payable	5,073	7,573	8,673
Other current liabilities	8,698	12,002	11,472
<b>Current liabilities</b>	<b>17,973</b>	<b>44,224</b>	<b>23,861</b>
<b>Total equity and liabilities</b>	<b>266,918</b>	<b>388,135</b>	<b>317,338</b>

## THE CLIMEON SHARE

### LARGEST SHAREHOLDERS PER MARCH 31, 2025

Shareholders	Number of shares		Capital, %	Number of votes	Voting rights, %
	Series A	Series B			
Peter Lindell	-	7,327,805	20.6	7,327,805	18.7
Försäkringsaktiebolaget Avanza Pension	-	2,453,122	6.9	2,453,122	6.3
Skandinaviska Enskilda Bankens SEB-Stiftelsen	-	2,027,170	5.7	2,027,170	5.2
Stefan Wikström	-	1,995,692	5.6	1,995,692	5.1
Nordnet Pensionsförsäkring AB	-	1,971,835	5.5	1,971,835	5.0
Wilhelm Risberg	-	1,658,108	4.7	1,658,108	4.2
Fredrik Lundgren	-	1,654,305	4.6	1,654,305	4.2
MP Pensjon PK	-	1,261,661	3.5	1,261,661	3.2
Thomas Öström	390,000	562,785	2.7	4,462,785	11.4
QQM Fund Management AB	-	925,197	2.6	925,197	2.4
Futur Pension	-	665,445	1.9	665,445	1.7
Olle Bergström	-	398,009	1.1	398,009	1.0
Sea You Rederiet Aktiebolag	-	393,701	1.1	393,701	1.0
Joachim Karthäuser	-	377,542	1.1	377,542	1.0
Alexandre Vincent Mordasini	-	295,276	0.8	295,276	0.8
Others	-	11,264,436	31.6	11,264,436	28.8
<b>Total</b>	<b>390,000</b>	<b>35,232,089</b>	<b>100.0</b>	<b>39,132,089</b>	<b>100.0</b>

### SHARE PRICE DEVELOPMENT



	Jan-Mar 2025	Jan-Mar 2024	Jan-dec 2024
Total number of issued shares at period end	35,622,089	21,584,534	35,622,089
Average number of shares outstanding	35,622,089	21,584,534	26,155,684
Earnings per share, before and after dilution, SEK	-1.22	-1.00	-3.97
Equity per share, SEK	6.88	14.01	8.10

### SHARE INFORMATION

The number of shares in Climeon amounts to 35,622,089 with quota value of 0.015 SEK, of which 390,000 are Class A shares, 10 votes/share, and 35,232,089 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 2.88 at the end of the period.

*The bonus issue component from the new share issue in Q4 2023, the exercise of warrants in Q2 2024, and the reverse share split in Q1 2025 have been taken into account in the calculation of the weighted average number of outstanding shares, earnings per share before and after dilution, and equity per share, resulting in the restatement of comparative figures.*



## 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
	2025	2024	2024
<b>Revenue type</b>			
Hardware	4,958	12,884	41,856
Consulting and support services	239	396	732
<b>Total</b>	<b>5,197</b>	<b>13,280</b>	<b>42,588</b>
<b>Geographic market</b>			
Sweden	135	200	479
Europe	5,062	12,159	12,998
North America	-	335	335
Asia	-	586	28,776
<b>Total</b>	<b>5,197</b>	<b>13,280</b>	<b>42,588</b>

### NOTE 3 INTANGIBLE ASSETS

Intangible fixed assets in the Group consist of retained expenses for development work of SEK 125.6 million (128.5) and patents SEK 2.8 million (3.1). During the quarter, depreciation and amortization amounted to SEK 6.0 million (4.3) and impairment losses to SEK 0.0 million (0.0). Accumulated depreciation for the period amounted to SEK 6.0 million (4.3) and impairment losses amounted to SEK 0.0 million (0.0).

### NOTE 4 TANGIBLE ASSETS

Tangible assets of the Group comprise leasehold improvements SEK 5.9 million (7.0) , right-of-use assets, SEK 4.1 million (5.5) , equipment SEK 1.0 million (1.0) , technical equipment SEK 0.8 million (0.9) and systems located at customer premises and where the customers pay for the electricity generated ("As-a-Service") SEK 0.3 million (0.3) . Depreciations during the quarter amounted to SEK 1.4 million (1.4) .

### NOTE 5 FINANCIAL ASSETS

Financial assets of the Group amount to SEK 42.2 million (42.3) and consist of shares in the finance company Baseload Capital of SEK 40.8 million (40.8) . 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 (0.0) .

The valuation is based on unobservable inputs (Level 3), such as market transactions in Baseload shares and the company's own fair value assessments, which are based on discounted cash flow (DCF) calculations linked to Climeon's agreements with Baseload (see section below). Should a significant transaction involving Baseload shares occur at a materially different value, this would be taken into account and impact Climeon's valuation of the shares. In the absence of such transactions, valuation changes are primarily driven by changes in the DCF model. Climeon's management assesses the valuation in accordance with the accounting principles outlined in the 2023 Annual Report. The result effect is recognized under financial items.

In addition, Climeon has issued a call option for its remaining shares, allowing one of Baseload Capital's other shareholders to acquire them during a specified period. As of the balance sheet date, the value of this call option has been assessed as low and immaterial. The company continuously evaluates this value in accordance with IFRS 9 and IFRS 13.

If the option is exercised, it could result in a future liquidity inflow for Climeon. It is the company's intention to gradually divest its entire holding in Baseload Capital over time.

### NOTE 6 PLEDGED ASSETS AND CONTINGENT LIABILITIES

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

## 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 5th, 2025

Sebastian Ehrnrooth  
Chairman of the  
Board

Joakim Thölin  
Board member

Thomas Öström  
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
	2025	2024	2024
Order intake, SEK million	-	0.4	6.2
Order backlog, SEK million	13.4	41.8	18.5
Equity ratio (%)	90.3	80.9	89.2
Debt ratio (times)	0.1	0.3	0.1
Net debt ratio (times)	-0.0	-0.1	-0.1
Earnings per share, before and after dilution, SEK	-1.22	-1.00	-3.97
Equity per share, SEK	6.88	14.01	8.10
Cash and cash equivalents, SEK million	12.2	38.4	26.3

\*) Fund issue elements from the new share issue in Q4 2023 and consolidation of shares in Q1 2025 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

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

## QUARTERLY FIGURES, CONSOLIDATED

### INCOME STATEMENT

	2025		2024		
SEK, million	Q1	Q4	Q3	Q2	Q1
Net sales	5.2	9.7	18.8	0.8	13.3
Capitalized work for own account	2.5	2.2	1.8	2.6	2.9
Other operating income	0.1	0.0	1.6	10.4	0.0
<b>Operating expenses</b>					
Raw material and consumables	-22.8	-13.7	-22.9	-10.7	-14.1
Other external expenses	-5.3	-5.0	-5.4	-6.3	-6.5
Personnel expenses	-10.7	-11.6	-10.6	-13.9	-12.3
Depreciation and amortization	-8.8	-9.2	-9.3	-7.7	-7.0
Other operating expenses	-0.2	-0.3	-0.0	-	-
<b>Operating profit/loss</b>	-40.0	-27.8	-26.0	-24.8	-23.7
Net financial income	-3.3	1.0	-2.2	-2.3	2.1
<b>Profit/loss after financial items</b>	-43.3	-26.7	-28.2	-27.1	-21.6
Tax	-0.0	-0.0	-0.0	-0.0	-0.0
<b>Profit/loss for the period</b>	-43.3	-26.8	-28.3	-27.1	-21.6
Earnings per share, before and after dilution, SEK	-1.22	-0.80	-0.80	-0.80	-0.60

*\*) Bonus issue elements from the new share issue in Q4 2023, warrant redemption in Q2 2024 and reverse share split have been taken into account in the calculation of earnings per share before and after dilution, which has resulted in recalculation of comparative figures.*

**BALANCE SHEET**

SEK, million	2025	2024			
	Q1	Q4	Q3	Q2	Q1
Intangible non-current assets	128.4	131.6	130.2	128.8	129.2
Tangible non-current assets	12.0	14.6	17.4	20.1	22.0
Financial assets	42.2	42.3	42.3	62.5	62.6
<b>Total non-current assets</b>	<b>182.6</b>	<b>188.5</b>	<b>189.9</b>	<b>211.5</b>	<b>213.9</b>
Inventories	48.2	53.0	49.2	54.4	46.0
Current receivables	28.2	55.2	73.1	71.8	75.6
Cash and cash equivalents	12.2	26.3	5.1	42.0	38.4
<b>Total current assets</b>	<b>88.6</b>	<b>134.5</b>	<b>127.3</b>	<b>168.2</b>	<b>160.1</b>
<b>Total assets</b>	<b>271.2</b>	<b>323.0</b>	<b>317.2</b>	<b>379.7</b>	<b>373.9</b>
Shareholder's equity	244.9	288.1	268.2	298.2	302.3
Non-current liabilities and other provisions	3.6	5.3	6.9	9.6	21.5
Current liabilities	22.7	29.6	42.1	71.9	50.1
<b>Total equity and liabilities</b>	<b>271.2</b>	<b>323.0</b>	<b>317.2</b>	<b>379.7</b>	<b>373.9</b>

**CASH FLOW STATEMENT**

SEK, million	2025	2024			
	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	-21.3	-16.9	-18.8	-18.7	-13.2
Changes in working capital	4.8	0.7	-9.1	7.8	-15.3
<b>Cash flow from operating activities</b>	<b>-9.4</b>	<b>-16.2</b>	<b>-27.9</b>	<b>-10.9</b>	<b>-28.4</b>
Investing activities	-3.2	-7.8	-7.6	-5.9	-9.2
<b>Cash flow after investing activities</b>	<b>-12.6</b>	<b>-24.0</b>	<b>-35.5</b>	<b>-16.7</b>	<b>-37.7</b>
Financing activities	-1.6	45.3	-1.5	20.3	-1.4
<b>Cash flow for the period</b>	<b>-14.2</b>	<b>21.3</b>	<b>-37.0</b>	<b>3.6</b>	<b>-39.1</b>
Cash and cash equivalents at the beginning of the period	26.3	5.1	42.0	38.4	77.5
Exchange rate differences in cash and cash equivalents	-	-0.0	0.0	0.0	-0.0
<b>Cash and cash equivalents at the end of the period</b>	<b>12.2</b>	<b>26.3</b>	<b>5.1</b>	<b>42.0</b>	<b>38.4</b>

## 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 CO<sub>2</sub> emissions and accelerate the use of sustainable power with world leading HeatPower solutions.

### LONG-TERM OPERATIONAL GOALS

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

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

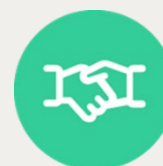
### CORE VALUES



DO GOOD



BE A TEAMPLAYER



ALWAYS DELIVER

#### HEADQUARTERS

CLIMEON AB  
TORSHAMNSGATAN 44  
164 40, STOCKHOLM  
SWEDEN

[WWW.CLIMEON.SE](http://WWW.CLIMEON.SE)

CLIMEON