

INTERIM REPORT

JANUARY 1 - SEPTEMBER 30, 2024

Q3
2024

CONTINUED DELIVERIES OF HEATPOWER 300 AND TARGETED NEW SHARE ISSUE TO NEW AND EXISTING OWNERS

During the quarter, two HeatPower 300 systems were commissioned at NEO Group's facility in Lithuania, and four out of a total of six ordered systems were delivered to HD Hyundai Heavy Industries' shipyard in South Korea. Climeon now has a well-functioning supply chain that enables a rapid ramp-up of production and deliveries. A targeted new share issue, which provides the company with approximately 50 million SEK before transaction costs, was successfully completed shortly after the end of the quarter. Climeon has continued to implement cost-saving measures to better align operations with the current phase of the company.

JULY - SEPTEMBER

- Order intake amounted to SEK 0.0 million (28.5) .
- Net sales amounted to SEK 18.8 million (3.9) and were primarily attributable to delivery of HeatPower systems.
- Operating profit/loss amounted to SEK -26.0 million (-31.6) .
- Profit/loss after financial items amounted to SEK -28.2 million (-37.7)
- Earnings per share, before and after dilution, amounted to SEK -0.11 (-0.15)
- Cash flow from operating activities after changes in working capital amounted to SEK -27.9 million (-16.3) .

IMPORTANT EVENTS

- Four out of a total of six HeatPower 300 systems ordered by HD Hyundai Heavy Industries on behalf of Maersk were delivered to the shipyard during the quarter. The remaining two systems are scheduled for delivery in the fourth quarter of 2024.
- Climeon's management team has undergone changes, with the company's CFO, Carl Arnesson, leaving the company in the fourth quarter, to be succeeded by Carl Frykfeldt in an interim role. Fredrik Nimander has been appointed as the new COO (Chief Operating Officer) and a member of the management team. Lena Sundquist will continue as CEO and also take on the interim role of head of the Energy and Industry business area. These changes have been made to better reflect the current phase of Climeon.

- The Board of Climeon AB has approved a targeted new share issue of 98,425,199 B-shares at a subscription price of 0.508 SEK per B-share, corresponding to an issue amount of approximately 50 million SEK before transaction costs. Several new investors chose to subscribe for shares, along with existing shareholders such as Peter Lindell, SEB-Stiftelsen, and MP Pensjon PK.

JANUARY - SEPTEMBER

- Order intake amounted to SEK 0.8 million (41.5)
- Net sales amounted to SEK 32.9 million (5.0)
- Order backlog amounted to SEK 22.1 million (80.5)
- Operating profit amounted to SEK -74.5 million (-77.5) .
- Profit/loss after financial items amounted to SEK -77.0 million (-99.7)
- Earnings per share, before and after dilution, amounted to SEK -0.33 (-0.43)
- Cash flow from operating activities after changes in working capital amounted to SEK -67.2 million (-62.4) and total cash and cash equivalents amounted to SEK 5.1 million (77.5) . In addition, restricted cash amounted to 8.8 million SEK for guarantees related to future customer deliveries in 2024. Thus, total cash and cash equivalents, including restricted funds, amounted to 13.9 million SEK.

A WORD FROM OUR CEO:



Lena Sundquist, CEO of Climeon

“It is encouraging to see that more and more shipping companies are increasingly specifying the ORC technology, which is the foundation of HeatPower 300, in their specifications to shipyards for new vessels.”

CONTINUED DELIVERIES OF HEATPOWER 300 TO SOUTH KOREA AND NEW SHARE ISSUE STRENGTHENS CASH FLOW BY APPROXIMATELY 50 MILLION SEK

During the quarter, we continued our dialogues with both new and existing customers as part of our commercialization of the HeatPower 300 product platform. We are currently witnessing significant and growing interest in our product, which was particularly evident during our participation in one of the world’s largest maritime exhibitions, SMM in Hamburg in September.

It is encouraging to see that more and more shipping companies are increasingly specifying the ORC technology, which is the foundation of HeatPower 300, in their specifications to shipyards for new vessels. We are engaged in concrete discussions with shipyards in both China and South Korea, the world’s two largest shipbuilding countries, regarding the integration of our technology into new ships. In both countries, we have local partners who provide valuable local knowledge, contacts, and extensive experience from their respective shipbuilding industries. Additionally, we are having specific discussions with shipowners in Europe regarding the installation of our technology on existing vessels.

Interest in the Energy and Industry sector remains strong, with ongoing discussions about various industrial and geothermal projects, primarily in the European market. During the quarter, we successfully commissioned the two HeatPower 300 systems at NEO Group’s facility in Lithuania, as planned.

During this quarter, we delivered the first four HeatPower 300 systems out of a total of six for the container ships being built by HD Hyundai Heavy Industries on behalf of Maersk. The remaining two systems will leave Kista before the year-

end, followed by installation and commissioning in South Korea next year. The two systems designated for installation on two existing container ships are scheduled to be delivered from us before the year-end and will be installed on two existing vessels in the coming year.

Our deliveries this year demonstrate that we currently have a well-functioning supply chain that enables us to scale up production as needed. Regarding our product platform, we continue ongoing discussions with both existing suppliers and potential new ones to enhance the cost-effectiveness of our product platform.

During the quarter, we also conducted a targeted new share issue. We were grateful to see both new and existing investors show their support by subscribing for shares. The new share issue strengthens our cash flow by approximately 50 million SEK before transaction costs. These funds will be used for the continued commercialization of HeatPower 300 and to finance deliveries of both existing and anticipated orders. We are naturally appreciative of the trust shown to us by both new and existing shareholders.

In parallel with this, we have also implemented ongoing cost-saving measures across the company. Some of these have already yielded results, while others will have full effect in 2025. We have, among other things, reduced the number of employees and consultants and cut our other ongoing expenses. At present, we will not be replacing our CFO or our sales director for the Energy and Industry segment. I will take on the latter role in addition to my responsibilities as CEO.

We have a growing market and significant interest from customers, as well as global, market-leading reference customers for our new product and a well-functioning supply chain. We will now continue our efforts toward the commercialization of HeatPower 300 with an even more cost-effective organization to achieve profitability.

Lena Sundquist, CEO, Climeon



MARKETS AND DEVELOPMENT



MARITIME MARKET

The number of inquiries to Climeon regarding the installation of HeatPower 300 on existing vessels, as well as installations at shipyards for new ship construction, continued to increase. In early September, Climeon participated in the SMM maritime exhibition in Hamburg, Germany. This event, the largest maritime fair of its kind worldwide, attracted over 2,200 exhibitors and 48,000 visitors from more than 100 countries. A significant number of shipping companies and shipyards visited and engaged in detailed discussions with Climeon during the exhibition to evaluate and advance conversations about integrating Climeon's technology into both new and existing vessels.

The ORC process, or Organic Rankine Cycle, utilized by Climeon's proprietary technology to convert low-temperature heat into sustainable electricity, is increasingly specified by shipping companies for onboard installation on new vessels. Furthermore, many shipowners are interested in evaluating the technology for installation on their existing vessels to reduce both fuel consumption and carbon emissions.

During the quarter, Climeon continued to build and strengthen its sales organization based on local partners in key markets, primarily in Asia. Earlier this year, partnership agreements were signed with Grandbow Technology in China and World Ocean Co Ltd in South Korea. Climeon's sales strategy involves a central sales team working alongside local partners in key markets, enabling quick and cost-effective engagement with a large number of customer projects in major marine markets.

The collaboration with Grandbow Technology has allowed Climeon to connect with more potential customers at the appropriate level, which is especially important in China, as it continuously captures an increasing share of the shipbuilding market.

Four of the six HeatPower 300 systems ordered last year by the South Korean shipyard HD Hyundai Heavy Industries for Maersk were delivered during the quarter. The last two systems in this series will be delivered before the year-end, with commissioning planned for 2025. The additional two systems ordered by a leading player in sustainable shipping for installation on two existing container ships will also be delivered before the year-end, with commissioning scheduled for 2025.



ENERGY AND INDUSTRIAL MARKET

The third quarter of 2024 was characterized by ongoing dialogues, primarily with energy-intensive process industries in Europe, seeking to reduce their electricity costs while also lowering their carbon emissions. In the geothermal sector, there is a growing interest in the company's technology, and Climeon is working on several projects at various stages of development.

Climeon is also continuing its collaboration with customers in the United Kingdom on multiple projects involving land-based engines, where the need for continuous electricity generation is increasing as more weather-dependent energy production is integrated into the energy system.

The two HeatPower 300 systems ordered in May 2023 by the development and construction company Termolink in Lithuania for installation at Neo Group's production facility for PET resin in Lithuania were commissioned during the quarter and are now generating sustainable electricity for the facility.



TECHNOLOGY DEVELOPMENT AND PRODUCTION

The new product platform, HeatPower 300, has been launched, sold, and delivered to leading players in Climeon's various market segments. Climeon now has a fully developed production and supply chain, allowing the company to effectively scale up production and deliveries in response to increasing demand. For the remainder of 2024, the primary focus will be on delivering products in accordance with the customer agreements that have been signed. Simultaneously, we are continuously evaluating the company's purchasing and production chain to make the product more competitive and profitable in the future. This includes ongoing discussions with both existing and potential new suppliers to identify cost-saving solutions.

Climeon already has a significant number of systems from the previous product generation, HeatPower 150, operational at customer sites around the world. Climeon supports its existing customers in this area by providing service and spare parts to ensure continued efficient and sustainable electricity production.



EXTERNAL IMPACT

Currently, Climeon is not directly affected by ongoing geopolitical conflicts worldwide. The company is monitoring the situation and taking actions to mitigate any potential negative impacts as much as possible.

ORDER ENTRY AND ORDER BACKLOG

During the third quarter of 2024, no new orders for HeatPower systems were signed. At the end of the period, the order backlog amounted to 22.1 million SEK (72.2), equivalent to 4 (16) HeatPower systems and associated services. During the quarter, deliveries corresponding to 18.7 million SEK were made, primarily consisting of hardware deliveries to the marine market, along with service and aftermarket deliveries. Other changes in the order backlog during the quarter were due to fluctuations in exchange rates. The backlog largely consists of orders in euros, which are revalued at the end of the period.

THE GROUP'S FINANCIAL DEVELOPMENT

JULY - SEPTEMBER

NET SALES AND EARNINGS

Net sales amounted to SEK 18.8 million (3.9) and are mainly attributable to delivery of HeatPower 300 systems and associated aftermarket services to the company's existing customers.

Operating profit/loss amounted to SEK -26.0 million (-31.6) . It can be noted that last year's operating results included a cost of approx -4.9 MSEK related to an accrual of bad debts.

Costs for raw materials and consumables amounted to -22.9 MSEK (-6.3) where costs for delivered systems made up the majority of the item.

Net financial income/expenses amounted to SEK -2.2 million (-6.2) , whereof SEK -3.3 million (-3.1) relates to revaluation of the shareholding in Baseload Capital to fair value. Net financial items were also affected by a positive exchange rate effect of SEK 1.1 million, mainly related to the development of the Swedish krona against the Euro and Japanese Yen. Of this, SEK 1.2 million pertains to unrealized exchange rate differences.

Profit/loss after financial items amounted to SEK -28.2 million (-37.7) . Depreciations and amortizations amounted to SEK -9.3 million (-6.8) where write downs of research projects and patents amounted to -1.3 MSEK.

CASH FLOW

The cash flow from operating activities *before* change in working capital amounted to -18.8 MSEK (-21.2). Cash flow from operating activities *after* changes in working capital amounted to SEK -27.9 million (-16.3) , whereof the change in working capital amounted to SEK -9.1 million (5.0) . The change in working capital was negatively affected by payments for production of future customer deliveries that will be paid for by customers in the fourth quarter.

Cash flow from investing activities amounted to SEK -7.6 million (-3.0) , which was mainly related to investments in product development and patents of SEK -7.8 million (-3.7) .

Cash flow from financing activities amounted to SEK -1.5 million (-15.1) and corresponded mainly to change in leasing liabilities.

Cash flow for the quarter thus amounted to SEK -37.0 million (-34.4) where the negative change in working capital mentioned above was the single major deviation compared to the corresponding period of the previous year.

JANUARY - SEPTEMBER

NET SALES AND EARNINGS

Net sales amounted to SEK 32.9 million (5.0) and were mainly attributable to the delivery and commissioning of HeatPower systems as well as aftermarket revenues. *Operating profit/loss* for the period amounted to SEK -74.5 million (-77.5) . In the operating result for 2024 an Other operating income of SEK 10.3 MSEK is included, related to a loan converted into a grant. It can also be noted that the previous year's operating profit contained an accrual for bad debts of approx. -4.9 MSEK. The company has taken cost-saving measures which it expects to have full effect during the first quarter of 2025 and beyond.

Net financial income/expense amounted to SEK -2.4 million (-22.2) whereof SEK -3.2 million (-21.1) related a revaluation of the shareholding in Baseload Capital to fair value. Profit/loss after financial items amounted to SEK -77.0 million (-99.7) Depreciations and amortizations amounted to SEK -24.1 million (-19.6) .

CASH FLOW

Cash flow from operating activities *after* change in working capital amounted to SEK -67.2 million (-62.4) whereof the change in working capital amounted to SEK -16.5 million (-14.4) . The negative development of working capital is mainly attributable to supplier advances and an increased stock ahead of upcoming customer deliveries that will be paid for during the fourth quarter.

Cash flow from investing activities amounted to SEK -22.7 million (-14.7) , which was mainly related to product development and patents of SEK -20.4 million (-15.9) . Cash flow from financing activities amounted to SEK 17.4 million (-39.1) . The item includes received rights issue proceeds of 21.8 (0). Cash flow for the period amounted to SEK -72.5 million (-116.2) .

FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 5.1 million (77.5) . In addition, restricted cash amounted to 8.8 million SEK for guarantees related to future customer deliveries in 2024. Thus, *total cash and cash equivalents*, including restricted funds, amounted to 13.9 million SEK. The equity ratio amounted to 84.6 percent (76.4) and the net debt ratio amounted to 0.0 times (-0.2) Shareholder's equity amounted to SEK 268.2 million (323.8) or SEK 1.0 (1.3) per share.

DEFERRED TAX ASSET

The company has unutilized deficit carryforwards in Sweden amounting to SEK 873.9 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 32.9 million (5.0) . Operating profit/loss amounted to SEK -74.3 million (-77.1) and profit/loss after financial items amounted to SEK -76.4 million (-98.2)

FINANCIAL CALENDAR

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 November 5, 2024, at 07:30 (CET).

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

OTHER INFORMATION

PERSONNEL AND ORGANIZATION

The average number of employees during the period of July to September amounted to 39 (38) , of which 27 (27) percent are women and 73 (73) percent men. At the end of June, the number of employees amounted to 37 (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. 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 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	Jul-Sep		Jan-Sep		Jan-Dec
		2024	2023	2024	2023	2023
Net sales	2	18,804	3,899	32,882	4,968	6,186
Capitalized work for own account		1,797	1,526	7,289	7,041	9,743
Other operating income		1,647	17	12,072	3,075	3,135
Total income		22,248	5,443	52,243	15,083	19,064
Operating expenses						
Raw material and consumables		-22,894	-6,339	-47,675	-9,132	-12,594
Other external expenses		-5,449	-11,271	-18,218	-24,394	-29,435
Personnel expenses		-10,643	-12,551	-36,809	-37,115	-51,366
Depreciation and amortization		-9,299	-6,834	-24,081	-19,555	-25,845
Other operating expenses		-7	-	-7	-2,398	-2,406
Operating profit/loss		-26,045	-31,552	-74,548	-77,511	-102,580
Profit/loss from financial items						
Net financial income	5	-2,187	-6,197	-2,403	-22,210	-33,115
Profit/loss after financial items		-28,233	-37,749	-76,951	-99,721	-135,696
Tax		-30	-12	-73	-61	-73
Profit/loss for the period		-28,262	-37,761	-77,024	-99,781	-135,769
Earnings per share, SEK *)						
Before dilution		-0.11	-0.15	-0.33	-0.43	-0.59
After dilution		-0.11	-0.15	-0.33	-0.43	-0.59

SEK, thousand	Note	Jul-Sep		Jan-Sep		Jan-Dec
		2024	2023	2024	2023	2023
Profit/loss for the period		-28,262	-37,761	-77,024	-99,781	-135,769
Other comprehensive profit/loss for the period						
Translation differences		-1,775	600	-398	1,701	2,201
Other comprehensive profit/loss for the period		-1,775	600	-398	1,701	2,201
Comprehensive income/loss for the period		-30,037	-37,161	-77,422	-98,080	-133,568
Comprehensive income/loss for the period attributable to Shareholders of the parent company		-30,037	-37,161	-77,422	-98,080	-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 Sep 2024	30 Sep 2023	31 Dec 2023
Assets				
Intangible non-current assets	3	130,170	121,763	125,512
Tangible non-current assets	4	17,373	25,614	23,481
Financial assets	5	42,310	80,885	72,928
Total non-current assets		189,852	228,262	221,921
Inventories		49,197	40,226	44,353
Accounts receivable		19,466	16,513	23,899
Other current receivables	6	53,606	37,425	56,250
Cash and cash equivalents		5,063	23,148	77,550
Total current assets		127,333	117,312	202,051
Total Assets		317,185	345,573	423,972
Equity and liabilities				
Share capital		3,867	1,427	3,238
Other contributed capital		1,214,603	1,104,017	1,193,449
Retained earnings		-873,243	-737,576	-737,077
Profit/loss for the period		-77,024	-99,781	-135,769
Total shareholder's equity		268,203	268,086	323,841
Other provisions		4,935	7,121	7,070
Total provisions		4,935	7,121	7,070
Other non-current liabilities		1,946	23,913	16,680
Total non-current liabilities		1,946	23,913	16,680
Advance payments from customers	5	5,060	18,209	26,755
Accounts payable		23,761	6,613	21,384
Other current liabilities		13,280	21,631	28,243
Total current liabilities		42,102	46,454	76,381
Total equity and liabilities		317,185	345,573	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	-	-	-77,024	-77,024
Other comprehensive profit/loss for the period				
Translation differences	-	-	-398	-398
Other comprehensive profit/loss for the period:	-	-	-398	-398
Total comprehensive profit/loss	-	-	-77,422	-77,422
Transactions with share holders:				
Rights issue (23,072 TSEK before deduction of costs of 1,288 TSEK)	629	21,154	-	21,784
Sum of transactions with shareholders	629	21,154	-	21,784
Closing balance equity 2024-09-30	3,867	1,214,603	-950,268	268,203

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	1,103,030	-739,277	365,180
Comprehensive profit/loss				
Profit/loss for the period	-	-	-99,781	-99,781
Other comprehensive profit/loss for the period				
Translation differences	-	-	1,701	1,701
Other comprehensive profit/loss for the period:	-	-	1,701	1,701
Total comprehensive profit/loss	-	-	-98,080	-98,080
Transactions with share holders:				
Warrants	-	987	-	987
Sum of transactions with shareholders	-	987	-	987
Closing balance equity 2023-09-30	1,427	1,104,017	-837,357	268,086

CONSOLIDATED CASH FLOW STATEMENT

SEK, thousand	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Operating activities					
Operating profit/loss	-26,045	-31,552	-74,548	-77,511	-102,580
Adjustments for items not included in cash flow	12,851	10,159	29,868	28,428	35,271
Financial items	-5,597	146	-5,981	1,049	-2,092
Cash flow from operating activities before changes in working capital	-18,791	-21,247	-50,661	-48,034	-69,402
Change in working capital	-9,068	4,973	-16,511	-14,376	-20,642
Cash flow from operating activities	-27,860	-16,274	-67,172	-62,410	-90,045
Investing activities					
Investments in intangible assets	-7,804	-3,651	-20,434	-15,861	-22,952
Investments in tangible assets	-90	-88	-2,558	-1,039	-1,894
Change in financial assets	247	759	247	2,233	2,410
Cash flow from investing activities	-7,647	-2,980	-22,745	-14,667	-22,436
Cash flow after investing activities	-35,507	-19,254	-89,917	-77,077	-112,481
Financing activities					
Change in short-term debt	-1,465	-16,121	-4,353	-40,070	-41,490
Share issue	-	-	21,784	-	91,158
Premiums paid for warrants	-	987	-	987	1,064
Cash flow from financing activities	-1,465	-15,134	17,430	-39,083	50,732
Cash flow for the period	-36,972	-34,431	-72,487	-116,160	-61,749
Cash and cash equivalents at the beginning of the period	42,035	57,599	77,550	139,341	139,341
Exchange rate differences in cash and cash equivalents	1	-20	1	-34	-43
Cash and cash equivalents at the end of the period	5,063	23,148	5,063	23,148	77,550

PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK, thousand	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	18,804	3,899	32,882	4,968	6,186
Capitalized work for own account	1,797	1,526	7,289	7,041	9,743
Other operating income	1,647	17	12,072	3,075	3,135
Total income	22,248	5,443	52,243	15,083	19,064
Operating expenses	-	-	-	-	-
Raw material and consumables	-22,894	-6,294	-47,675	-9,086	-12,549
Other external expenses	-7,421	-12,639	-22,063	-28,403	-34,788
Personnel expenses	-10,643	-12,555	-36,786	-36,788	-51,042
Depreciation and amortization	-7,951	-5,447	-20,038	-15,536	-20,443
Other operating expenses	-	-	-	-2,398	-2,398
Operating profit/loss	-26,662	-31,493	-74,319	-77,128	-102,156
Profit from financial items	-	-	-	-	-
Net financial income	-1,891	-5,836	-926	-21,092	-31,550
Profit/loss after financial items	-28,552	-37,329	-76,405	-98,221	-133,706
Tax	-	-	-	-	-
Profit/loss for the period 1)	-28,552	-37,329	-76,405	-98,221	-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 Sep 2024	30 Sep 2023	31 Dec 2023
Assets			
Intangible non-current assets	130,170	121,763	125,512
Tangible non-current assets	10,591	13,025	12,295
Financial assets	64,252	102,593	94,294
Inventories	49,197	40,220	44,348
Current receivables	75,998	56,579	82,962
Cash and cash equivalents	5,055	22,682	77,155
Total Assets	335,264	356,862	436,565
Equity and liabilities			
Shareholder's equity	293,983	292,897	348,604
Provisions	4,935	7,121	7,070
Non-current liabilities	-	10,381	10,381
Current liabilities	36,346	46,463	70,510
Total equity and liabilities	335,264	356,862	436,565

THE CLIMEON SHARE

LARGEST SHAREHOLDERS PER SEPTEMBER 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	-	23,923,798	9.3	23,923,798	8.2
Skandinaviska Enskilda Banken SEB-Stiftelsen	-	14,366,185	5.6	14,366,185	4.9
Futur Pension Försäkringsaktiefbolag	-	14,033,915	5.4	14,033,915	4.8
Nordnet Pensionsförsäkring AB	-	12,249,495	4.8	12,249,495	4.2
Wilhelm Risberg	-	12,151,943	4.7	12,151,943	4.1
Fredrik Lundgren	-	12,113,914	4.7	12,113,914	4.1
Thomas Östrom	3,900,000	5,675,344	3.7	44,675,344	15.3
MP Pensjon PK	-	7,695,341	3.0	7,695,341	2.6
SEB AB Luxembourg Branch	-	6,550,297	2.5	6,550,297	2.2
Clearstream Banking S.A.	-	6,325,411	2.5	6,325,411	2.2
Joachim Karthäuser	-	3,775,411	1.5	3,775,411	1.3
Olle Bergström	-	3,186,042	1.2	3,186,042	1.1
Swedbank AS Estonia	-	1,457,691	0.6	1,457,691	0.5
Karolina Tham von Heidenstam	-	1,306,640	0.5	1,306,640	0.4
Others	-	78,084,260	30.3	78,084,260	26.7
Total	3,900,000	253,895,687	100.0	292,895,687	100.0

SHARE PRICE DEVELOPMENT



	Jul-Sep 2024	Jul-Sep 2023	Jan-dec 2023
Total number of issued shares at period end	257,795,687	257,795,687	257,795,687
Average number of shares outstanding	257,795,687	257,795,687	257,795,687
Earnings per share, before and after dilution, SEK	-0.11	-0.15	-0.59
Equity per share, SEK	1.04	1.04	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. In addition, at the beginning of October 2024, the company issued an additional 98,425,199 B shares within a completed directed share issue.

Climeon's B share is listed on Nasdaq First North Premier since October 13, 2017. The share price amounted to SEK 0.61 at the end of the period.

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 average number of shares issued, earnings per share before and after dilution as well as equity per share, which is why comparative figures have been recalculated.

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	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Revenue type					
Hardware	18,771	3,881	32,394	4,846	6,041
Consulting and support services	33	18	488	122	145
Total	18,804	3,899	32,882	4,968	6,186
Geographic market					
Sweden	-	117	272	238	244
Europe	53	3,782	12,938	4,730	5,942
North America	-	-	335	-	-
Asia	18,751	-	19,337	-	-
Total	18,804	3,899	32,882	4,968	6,186

NOTE 3 INTANGIBLE ASSETS

Intangible assets of the Group comprise capitalized expenditure on development SEK 126.5 million (121.6) and patents SEK 3.7 million (3.9). Depreciations during the quarter amounted to SEK 5.2 million (3.1) and write-downs during the period amounted to SEK 1.2 million (0.4). Accumulated depreciations of the period amounted to SEK 14.5 million (9.3) and accumulated write downs of the period amounted to SEK 1.2 million (0.4).

NOTE 4 TANGIBLE ASSETS

Tangible assets of the Group comprise leasehold improvements SEK 8.0 million (8.8), right-of-use assets, SEK 6.8 million (10.8)

, equipment SEK 1.2 million (1.5), technical equipment SEK 1.1 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 1.5 million (2.0). Accumulated depreciations of the period amounted to SEK 4.3 million (5.8).

NOTE 5 FINANCIAL ASSETS

Financial assets of the Group amount to SEK 42.3 million (72.9) and consist of shares in the finance company Baseload Capital of SEK 40.8 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 -3.3 million (-3.1). Accumulated revaluation of the year amount to SEK -3.3 million (-21.1). The valuation is based on the latest market transactions of the Baseload Capital shares that have been carried out recently. Climeon's management deems this valuation 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 have occurred gradually during 2024. The transaction has not had a net liquidity impact on Climeon as the company simultaneously repurchased a number of unused modules and repaid a previously received pre-payment to a corresponding value. During the third quarter of 2024, the last sale of shares took place according to the agreement, corresponding to a value of approx. SEK 16.9 million at the same time as a previous pre-payment was settled to the corresponding value.

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. The value of this call option has been assessed, as of the balance sheet date, at a low and non-material amount. The company continuously tests this value according to IFRS 9 and 13.

An exercise of this option can thus lead to a future liquidity addition for Climeon. Climeon's intention is 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 (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, November 5th, 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

REVIEW REPORT

INTRODUCTION

We have reviewed the interim report Climeon AB (publ) for the period 1 January – September 30, 2024. The Board of Directors are responsible for the preparation and presentation of this interim report in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared in accordance with IAS 34.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Without modifying our opinion in respect of this matter, we draw attention to page 6 in the interim report, which states that “The company is, within a twelve-month period, in need of external financing in order to continue the business operations. Such financing may come from existing or new shareholders, or from third parties through public or private financing options. The company's interim report is prepared under the going concern assumption, but there is also an uncertainty factor”. These events or conditions, along with other matters as set forth on page 6 in the interim report, indicate that a material uncertainty exists that may cast negative doubt on the Company's ability to continue as a going.

Stockholm, November 5, 2024

Deloitte AB

Daniel Wassberg

Authorized Public Accountant

KEY NUMBERS FOR THE GROUP

	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Order intake, SEK million	-	28.5	0.8	41.5	52.0
Order backlog, SEK million	22.1	72.2	22.1	72.2	80.5
Equity ratio (%)	84.6	77.6	84.6	77.6	76.4
Debt ratio (times)	0.2	0.3	0.2	0.3	0.3
Net debt ratio (times)	-0.0	0.0	-0.0	0.0	-0.2
Earnings per share, before and after dilution, SEK	-0.11	-0.15	-0.33	-0.43	-0.59
Equity per share, SEK	1.04	1.04	1.04	1.04	1.26
Share price at period end, CLIME B, SEK	0.61	2.68	0.61	2.68	1.80
Cash and cash equivalents, SEK million	5.1	23.1	5.1	23.1	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			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	18.8	0.8	13.3	1.2	3.9	0.6	0.5
Capitalized work for own account	1.8	2.6	2.9	2.7	1.5	2.4	3.1
Other operating income	1.6	10.4	0.0	0.1	0.0	3.1	0.0
Operating expenses							
Raw material and consumables	-22.9	-10.7	-14.1	-3.5	-6.3	-1.6	-1.1
Other external expenses	-5.4	-6.3	-6.5	-5.0	-11.3	-5.9	-7.2
Personnel expenses	-10.6	-13.9	-12.3	-14.3	-12.6	-12.7	-11.9
Depreciation and amortization	-9.3	-7.7	-7.0	-6.3	-6.8	-6.4	-6.3
Other operating expenses	-0.0	-	-	-0.0	-	-2.4	-0.0
Operating profit/loss	-26.0	-24.8	-23.7	-25.1	-31.6	-23.0	-22.9
Net financial income	-2.2	-2.3	2.1	-10.9	-6.2	-2.0	-14.0
Profit/loss after financial items	-28.2	-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	-0.0
Profit/loss for the period	-28.3	-27.1	-21.6	-36.0	-37.8	-25.1	-37.0
Earnings per share, before and after dilution, SEK	-0.11	-0.11	-0.08	-0.14	-0.15	-0.10	-0.14

*) 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			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Intangible non-current assets	130.2	128.8	129.2	125.5	121.8	121.4	121.7
Tangible non-current assets	17.4	20.1	22.0	23.5	25.6	28.7	32.0
Financial assets	42.3	62.5	62.6	72.9	80.9	84.7	90.2
Total non-current assets	189.9	211.5	213.9	221.9	228.3	234.9	243.9
Inventories	49.2	54.4	46.0	44.4	40.2	42.9	46.6
Current receivables	73.1	71.8	75.6	80.1	53.9	63.2	49.6
Cash and cash equivalents	5.1	42.0	38.4	77.5	23.1	57.6	95.8
Total current assets	127.3	168.2	160.1	202.1	117.3	163.7	192.0
Total assets	317.2	379.7	373.9	424.0	345.6	398.6	436.0
Shareholder's equity	268.2	298.2	302.3	323.8	268.1	304.3	328.6
Non-current liabilities and other provisions	6.9	9.6	21.5	23.8	31.0	33.2	34.6
Current liabilities	42.1	71.9	50.1	76.4	46.5	61.2	72.8
Total equity and liabilities	317.2	379.7	373.9	424.0	345.6	398.6	436.0

CASH FLOW STATEMENT

SEK, million	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	-18.8	-18.7	-13.2	-21.4	-21.2	-10.5	-16.3
Changes in working capital	-9.1	7.8	-15.3	-6.3	5.0	-11.5	-7.8
Cash flow from operating activities	-27.9	-10.9	-28.4	-27.6	-16.3	-22.0	-24.2
Investing activities	-7.6	-5.9	-9.2	-7.8	-3.0	-4.1	-7.6
Cash flow after investing activities	-35.5	-16.7	-37.7	-35.4	-19.3	-26.1	-31.7
Financing activities	-1.5	20.3	-1.4	89.8	-15.1	-12.1	-11.9
Cash flow for the period	-37.0	3.6	-39.1	54.4	-34.4	-38.2	-43.5
Cash and cash equivalents at the beginning of the period	42.0	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	-0.0
Cash and cash equivalents at the end of the period	5.1	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 leveled 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