

INTERIM REPORT

JANUARY 1 - MARCH 31, 2022

Q1
2022

HEATPOWER 300 MARINE - REDUCED CO₂ EMISSIONS AND SHORTER PAYBACK TIME

During the quarter, Climeon's HeatPower was brought into operation on Virgin Voyage's third cruise ship, Resilient Lady, as well as two HeatPower modules in geothermal plants in Japan. The installation work in other projects continued according to plan. The development of the new product HeatPower 300, a platform that is initially optimized for the marine market, was on schedule and the product could be presented to potential customers in connection with the trade fair Seatrade Cruise Global in Miami, USA at the end of April. In the focus area Industry, Climeon's British partner Landmark Power Holding began construction work for a carbon-neutral power generation project where Climeon's products are included to increase energy efficiency.

JANUARY - MARCH

- Order intake amounted to SEK 0.7 million (0.0) and pertained to service and aftermarket work.
- Net sales amounted to SEK 1.8 million (-13.2)
- Operating profit/loss amounted to SEK -24.3 million (111.8)
- Profit/loss after financial items amounted to SEK -33.0 million (120.0) whereof -7,0 MSEK (51,2) was related to a revaluation of the shareholding in Baseload Capital.
- Earnings per share, before and after dilution, amounted to SEK -0.56 (2.28)
- Cash flow from operating activities after changes in working capital amounted to SEK -14.3 million (69.1)

IMPORTANT EVENTS DURING THE PERIOD

- Work on Virgin Voyage's cruise ship Resilient Lady was completed, installation work for other operators continued according to plan.
- Two more HeatPower modules were put into operation at facilities in Japan together with our customer Baseload Power Japan.
- The development work with the test unit for HeatPower 300 continued according to plan and the expanded test site is completed.
- Climeon's British partner Landmark Power Holdings Ltd began construction work for a new power project, where gas engines are used for electricity production and Climeon's technology is included to increase energy efficiency.

IMPORTANT POST-CLOSING EVENTS

- Climeon introduced the next generation HeatPower, the Climeon HeatPower 300 Marine, to the cruise industry in connection with the trade fair Seatrade Cruise Global in Miami, USA, April 25-28.

A WORD FROM OUR CEO:



Lena Sundquist, CEO of Climeon

“HeatPower 300 Marine creates entirely different possibilities for profitability.”

AN INCREASINGLY STRONG BUSINESS CASE

HEATPOWER 300 MARINE - REDUCED CO₂ EMISSIONS AND SHORTER PAY-BACK TIME

Demand for a transition, away from fossil fuels to a more climate-smart and renewable electricity production and lower CO₂ emissions continues to gather momentum. Higher fuel and electricity prices have also strengthened the quest for other energy sources and the incentives to increase energy efficiency are even clearer, which means that Climeon's relevance as part of the energy transition is becoming stronger with each passing day. We can notice this in an ever-increasing number of inquiries about what our in-house developed technology can add both in the form of energy savings and in renewable energy.

We see this clearly in the marine industry, where almost everything is about energy efficiency today. This trend was evident at the Nor-Shipping trade fair in Norway at the beginning of April, as well as at Seatrade Cruise Global in Miami at the end of April. The fuel price development directly impacts the shipping companies' profitability - and new, cleaner, fuels are often more expensive than the old ones. Everyone is looking for ways to reduce costs and reduce emissions. Therefore, it feels good, not only to be able to meet existing and potential customers again, now that trade fairs and events are starting up again, but also because we can soon offer a new product that enables up to five percent reduced fuel consumption on board ships and thus significantly reduced CO₂ emissions.

Development and testing of HeatPower 300 continues according to plan at our expanded test site in Kista. During the quarter, we initiated dialogues with key customers about HeatPower 300 and what it offers in the form of energy improvements and fuel savings on board ships. HeatPower 300 reduces fuel consumption and CO₂ emissions, can work with low temperatures, is easily integrated on newbuildings and existing vessels, needs minimal maintenance and, thanks to its capacity, has an attractive payback period for the customer. We get a product that is more affordable - and more profitable for us to produce and maintain. And the market is big.

Things have also started to move in our other markets. We were able to successfully commission two modules in Japan and we now clearly see that interest in geothermal energy is growing. Several geothermal initiatives are currently underway in the United States, as well as in Europe and Asia, although many of these are in their initial stages. In the focus area Industry, our partner Landmark has begun construction work for a new natural gas-fired, but at the same time carbon-neutral power plant project. Climeon's technology contributes by increasing the energy efficiency of the power plants and this, together with carbon capture, makes CO₂ emissions very low. It is a very exciting project.

Overall, the situation feels brighter than last autumn, but there are also challenges. The situation in Europe has eased considerably in terms of the effects of the Corona pandemic, including travel to the USA and Asia, although it still requires a lot of extra planning. The conflict in Ukraine began at the end of February and is nothing short of a humanitarian catastrophe for all parties involved. It is still too early to predict how what is happening, may affect Climeon. We have no customers, or operations, in the affected areas, but there are signs that the conflict, together with ongoing lockdowns in parts of Asia due to the Corona pandemic, could have negative effects on our supply chains in terms of components and other important inputs. We monitor the development closely and take measures to minimize the effects.

Our financial development is something that we continue to focus on. For the first quarter of 2022, net sales amounted to SEK 1.8 million, mainly in the form of revenue for service and our aftermarket business. Operating profit amounted to SEK -24.3 million. It is gratifying to see that the measures we implemented as part of the efficiency program that ran during the second

half of 2021, have had an effect in the form of reduced costs. In parallel with this, we continue, together with the Board, the work of securing our own long-term financing.

Looking ahead, I see that our new product HeatPower 300 Marin - and the upcoming versions for other markets based on it - can create entirely different possibilities for profitability for our customers and, not least, for Climeon as a company. As part of the development, we of course also continuously evaluate various patentable opportunities. Hence, during the quarter we applied for another patent for our patent portfolio.

During the nine months that have passed since I got the privilege of leading Climeon, I have become deeply impressed with the skills and drive that exist in Climeon's organization. We can be proud of what we have achieved, both in a longer perspective from long before I was involved, to the readjustment and the journey forward that we are now embarking on. We already have products in place that help our customers produce clean, fossil-free electricity from a resource that would otherwise be wasted. Now we have taken the next step and for the first time been able to show a wide and relevant audience what we plan to achieve with HeatPower 300 Marin and the coming product family. Now we continue what we started, to build an even more efficient and goal-oriented Climeon and an even more efficient and profitable product portfolio, to contribute to the transition to a more climate-smart society.

We, in the Climeon team, look forward to a continued exciting 2022.

Lena Sundquist, CEO Climeon

MARKET, SALES AND DELIVERY

THE MARKET

Society's transition, away from fossil fuels to a more climate-smart and renewable electricity production and lower CO2 emissions in combination with last year's sharp increases in the price of electricity and fuel, means that interest in more efficient, more climate-adapted and renewable energy production is now growing sharply worldwide. This is reflected in an increasing number of inquiries. Today, there are a number of interesting projects, already initiated or under discussion, in the marine industry, as well as in industry and geothermal, the markets where Climeon is active.

Climeon's solution for cost-effective recovery of residual heat from various processes to produce green electricity is an important part of the opportunity to meet the challenges of the ongoing climate change. For Climeon's customers, whether it is marine or land-based applications, the payback period is a very important factor in the investment decision.

The marine industry has a strong focus on more energy-efficient vessels. The international shipping organization IMO has for a long time pushed for stricter requirements for energy efficiency and reduced CO2 emissions. This, in combination with increased fuel prices means that the marine industry is actively looking for solutions that reduce fuel consumption and thus make ships more profitable and with reduced CO2 emissions.

The lifted corona restrictions have made it possible to resume and intensify customer contacts and to hold trade fairs and exhibitions again. Climeon was present at the Nor-Shipping 2022 trade fair outside Oslo, and the HeatPower 300 Marin was first introduced to the public at the Seatrade Cruise Global trade fair in Miami, USA, at the end of April.

ORDER ENTRY AND ORDER BACKLOG

During the first quarter of 2022, no new orders were signed for modules (0.0), while service and aftermarket orders were signed for SEK 0.7 million. At the end of the period, the order backlog amounted to SEK 178.9 million (728.5), corresponding to 54 (215) HeatPower modules. The order backlog mainly consists of orders in euros, which are revalued at the end of the period.

DELIVERIES AND DEVELOPMENT BY FOCUS AREA



MARITIME

During the quarter, Climeon's HeatPower modules were commissioned on board Virgin Voyage's third ship, the Resilient Lady. Work on installations on Virgin Voyage's fourth vessel, as well as on Havila Voyage's cruise ships, continued as planned. Market activity is high and Climeon has received an increasing number of quotation requests from potential customers. The focus during the quarter was on identifying key customers and on strengthening Climeon's infrastructure for sales, service, and maintenance.



GEOTHERMAL

Climeon has launched two more modules in Japan. Together with our customer Baseload Power Japan, the modules have been installed at the end customer Furusato Power Generation in connection with an existing geothermal source and now contribute to more green electricity in the Japanese electricity grid. Climeon continued during the quarter, according to plan, with commissioning, deliveries, and service to existing customers, primarily in Japan and Iceland.



INDUSTRY

In the field of industry, Climeon has so far chosen to focus on customers in the UK and Sweden, even though the market itself is international. In the autumn of 2021, Climeon's British partner Landmark Power Holdings got the green light for the financing of projects where Climeon's HeatPower is included as part of the solution to, together with carbon capture technology, create a climate-smart solution for electricity production. Construction work of the first site began during the first quarter of 2022.



TECHNOLOGY DEVELOPMENT

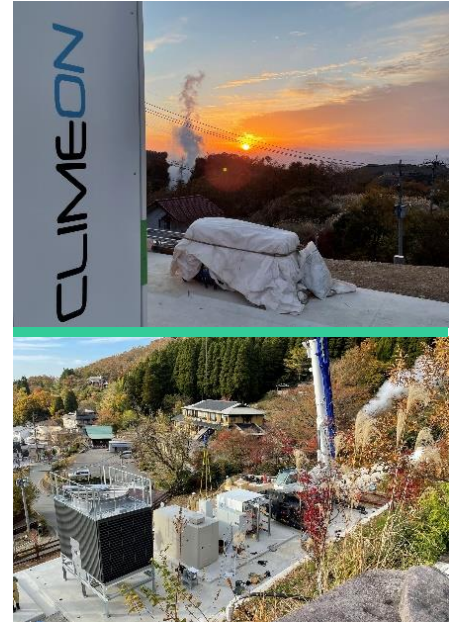
Work with the first test units for HeatPower 300, was on schedule and the expanded test site will be used in the further development work. HeatPower 300 is initially optimized for the marine market to, at a later stage, be adapted to the needs of other markets as well.

HeatPower 300 is based on the experience from Climeon's previous products, but in the development work, a strong driving force has also been to reduce product costs, both in relation to the amount of electrical energy produced and for production, installation, and maintenance of the product. HeatPower 300 Marin improves energy efficiency on board and reduces fuel consumption, as well as carbon dioxide emissions, thus giving shipowners and operators a tool to both meet new legal requirements and reduce climate impact. HeatPower 300 is a world leader in low-temperature energy conversion.

The product is integrated with the ship's system through the control system Climeon Live and has a modular design, which means that it can be optimized for different types of ships and operating profiles. HeatPower 300 also needs minimal maintenance, which gives the customer lower operating costs.

During the development work, we have designed the product in accordance with the wishes and requirements of various markets, customers, and certification bodies to ensure that the product meets market expectations. Climeon has also signed agreements with important component suppliers for continued deliveries.

However, the ongoing conflict in Ukraine and Corona lockdowns in parts of Asia may adversely affect the company's supply chains in terms of both components and various inputs, which may delay further work. Climeon monitors the development and takes measures to prevent this as far as possible.



Above: Sansui Geothermal Power Plant during construction.



Below: Construction work of the new HeatPower 300 test module.

THE GROUP'S FINANCIAL DEVELOPMENT

JANUARY - MARCH

NET SALES AND EARNINGS

Net sales amounted to SEK 1.8 million (15.5) . Sales are mainly attributable to commissioning of previously delivered HeatPower modules and services.

Operating profit/loss for the period amounted to SEK -24.3 million (-38.5) .

Net financial income/expense amounted to SEK -8.7 million (51.2) , whereof SEK -7,0 million (51.2) related to a revaluation of the holding in Baseload Capital.

Profit/loss after financial items amounted to SEK -33.0 million (12.7) . Depreciations and amortizations amounted to SEK -7.9 million (-5.5) .

CASH FLOW

Cash flow from operating activities after change in working capital amounted to SEK -14.3 million (-57.8) whereof the change in working capital amounted to SEK 4.3 million (-26.5) and is attributable to business-related changes in inventories, accounts receivable and accounts payable.

Cash flow from investing activities amounted to SEK -11.9 million (-7.5) derived from capitalization of development expenses and expenses for patents SEK -9.8 million (-7.3) .

Cash flow from financing activities amounted to SEK -9.1 million (-1.4)

Cash flow for the period amounted to SEK -35.3 million (-66.6)

FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 116.6 million (152.0) . The equity ratio amounted to 63.1 percent (66.7) and the net debt ratio amounted to -0.2 times (-0.7) . Shareholder's equity amounted to SEK 319.8 million (352.4) or SEK 5.4 (7.1) per share.

DEFERRED TAX ASSET

The company has unutilized deficit carryforwards in Sweden amounting to SEK 623.7 million (599.5) , 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 1.6 million (15.5) . Operating profit/loss amounted to and profit/loss after financial items amounted to SEK -31.3 million (15.5) .

OTHER INFORMATION

FINANCIAL CALENDAR

Annual General Meeting
May 18, 2022

Interim Report of second quarter
2022 July 19, 2022

Interim Report of third quarter 2022
November 2, 2022

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 4, 2022 at 07:30 (CET).

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

PERSONNEL AND ORGANIZATION

The average number of employees during the period January to March amounted to 46 (60), of which 24 (19) percent women and 76 (81) percent men. At the end of March, the number of employees amounted to 45 (46).

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 March 31, 2022, the company has one outstanding warrant program as described below. For further information regarding the warrants, see page 71 in the 2021 annual report

Warrant programs	Number of warrants	Number of B-shares warrants entitle to*	Issue price	Subscription period
Program 2019/2022	596,500	596,500	164.90	Dec 1 2022 - Dec 30 2022
Total	596,500	596,500		

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 42-44 in the 2021 annual report.

ADDITIONAL INFORMATION IN RESPECT OF COVID-19 AND THE WAR IN UKRAINE

The situation in Europe has eased considerably in terms of the effects of the Corona pandemic, and also for travel to the USA and Asia, although it still requires a lot of extra planning. The war in Ukraine does not affect Climeon at present, but it is still too early to make predictions about potentially extensive effects. However, there are some indications that the conflict, together with ongoing lockdowns in parts of Asia due to the Corona pandemic, could have negative effects on our supply chains in terms of components and other important inputs. We monitor the development closely and take measures to minimize the effects.

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.

CONSOLIDATED BALANCE SHEET

SEK, thousand	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
Assets				
Intangible non-current assets	3	111,137	95,262	106,365
Tangible non-current assets	4	40,702	39,520	41,619
Financial assets	5	107,417	119,826	114,304
Total non-current assets		259,256	254,608	262,288
Inventories		56,370	59,844	56,239
Accounts receivable		39,219	54,762	39,605
Other current receivables	6	35,669	43,063	35,672
Short-term investments		-	-	-
Cash and cash equivalents		116,627	232,613	151,984
Total current assets		247,884	390,282	283,500
Total Assets		507,140	644,890	545,788
Equity and liabilities				
Share capital		892	817	892
Other contributed capital		964,689	929,764	964,689
Retained earnings		-612,744	-506,117	-506,117
Profit/loss for the period		-33,022	12,798	-107,102
Total shareholder's equity		319,815	437,262	352,362
Other provisions		23,164	20,041	23,686
Total provisions		23,164	20,041	23,686
Other non-current liabilities		32,087	99,199	33,537
Total non-current liabilities		32,087	99,199	33,537
Advance payments from customers		32,906	32,539	29,765
Accounts payable		9,427	5,609	5,692
Other current liabilities		89,741	50,240	100,747
Total current liabilities		132,074	88,388	136,203
Total equity and liabilities		507,140	644,890	545,788

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 2022-01-01	892	964,689	-613,219	352,362
Comprehensive profit/loss				
Profit/loss for the period	-	-	-33,022	-33,022
Other comprehensive profit/loss for the period				
Translation differences	-	-	475	475
Other comprehensive profit/loss for the period:	-	-	475	475
Total comprehensive profit/loss	-	-	-32,547	-32,547
Transactions with share holders:				
Rights issue	-	-	-	-
Sum of transactions with shareholders	-	-	-	-
Closing balance equity 2022-03-31	892	964,689	-645,765	319,815

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 year	
Opening balance equity 2021-01-01	817	929,764	-506,117	424,464
Comprehensive profit/loss:				
Profit/loss for the period	-	-	12,694	12,694
Other comprehensive profit/loss for the period:				
Translation differences	-	-	104	104
Other comprehensive profit/loss for the period:	-	-	104	104
Total comprehensive profit/loss	-	-	12,798	12,798
Closing balance equity 2021-03-31	817	929,764	-493,319	437,262

CONSOLIDATED CASH FLOW STATEMENT

SEK, thousand	Jan-Mar		Jan-Dec
	2022	2021	2021
Operating activities			
Operating profit/loss	-24,282	-38,532	-150,327
Adjustments for items not included in cash flow	7,877	7,452	33,472
Financial items	-2,194	-274	-5,659
Cash flow from operating activities before changes in working capital	-18,599	-31,353	-122,514
Change in working capital	4,329	-26,461	-4,409
Cash flow from operating activities	-14,270	-57,814	-126,923
Investing activities			
Investments in intangible assets	-9,811	-7,255	-31,042
Investments in tangible assets	-1,970	-423	-12,171
Change in financial assets	-166	210	1,200
Cash flow from investing activities	-11,947	-7,468	-42,013
Cash flow after investing activities	-26,217	-65,282	-168,936
Financing activities			
Change in short-term debt	-9,120	-1,363	-13,354
Change in long-term debt	-	-	-
Share issue	-	-	35,000
Cash flow from financing activities	-9,120	-1,363	21,646
Cash flow for the period	-35,337	-66,645	-147,290
Cash and cash equivalents at the beginning of the period	151,984	299,217	299,217
Exchange rate differences in cash and cash equivalents	-21	41	57
Cash and cash equivalents at the end of the period	116,627	232,613	151,984

PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK, thousand	Jan-Mar		Jan-Dec
	2022	2021	2021
Net sales	1,615	15,470	27,546
Capitalized work for own account	2,219	7,036	28,925
Other operating income	18	-	50
Total income	3,853	22,505	56,520
Operating expenses			
Raw material and consumables	21	-22,226	-53,583
Other external expenses	-7,042	-11,389	-46,813
Personnel expenses	-13,468	-20,501	-75,384
Depreciation and amortization	-6,318	-4,070	-20,710
Other operating expenses	-7	-396	-1,931
Operating profit/loss	-22,961	-36,076	-141,900
Profit from financial items			
Net financial income	-8,316	51,552	44,425
Profit/loss after financial items	-31,278	15,476	-97,475
Tax	-	-	-
Profit/loss for the period 1)	-31,278	15,476	-97,475

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 2022	31 Mar 2021	31 Dec 2021
Assets			
Intangible non-current assets	111,137	95,262	106,365
Tangible non-current assets	19,900	13,340	19,311
Financial assets	125,527	131,139	131,177
Inventories	56,370	59,844	56,239
Current receivables	77,788	97,552	76,676
Short-term investments	-	-	-
Cash and cash equivalents	115,553	232,241	151,407
Total Assets	506,273	629,378	541,174
Equity and liabilities			
Shareholder's equity	340,586	449,815	371,864
Provisions	23,164	20,041	23,686
Non-current liabilities	10,381	71,807	10,381
Current liabilities	132,142	87,715	135,244
Total equity and liabilities	506,273	629,378	541,174

THE CLIMEON SHARE

LARGEST SHAREHOLDERS PER MARCH 31, 2022

Shareholders	Number of shares			Number of votes	Voting rights, %
	Series A	Series B	Capital, %		
Thomas Öström	8,900,000	130,900	15.2	89,130,900	58.1
Cidro Förvaltning	-	6,809,930	11.5	6,809,930	4.4
Joachim Karthäuser	1,550,000	2,114,300	6.2	17,614,300	11.5
Clearstream Banking S.A. W8IMY	-	3,131,215	5.3	3,131,215	2.0
Försäkringsbolaget, Avanza Pension	-	2,397,239	4.0	2,397,239	1.6
SEB AB, Luxembourg Branch, W8IMY	-	1,155,239	1.9	1,155,239	0.8
Olle Bergström	-	1,092,522	1.8	1,092,522	0.7
SEB-Stiftelsen	-	1,000,000	1.7	1,000,000	0.7
Nordnet Pensionsförsäkringar AB	-	960,002	1.6	960,002	0.6
Per Olofsson	-	580,000	1.0	580,000	0.4
Strand småbolagsfond	-	538,157	0.9	538,157	0.4
Klas Händel	-	536,867	0.9	536,867	0.3
Andreas Billström	-	440,816	0.7	440,816	0.3
Karolina Tham Von Heidenstam	-	432,200	0.7	432,200	0.3
Euroclear Bank A/N.V W8IMY	-	372,526	0.6	372,526	0.2
Others	-	27,298,766	45.9	27,298,766	17.8
Total	10,450,000	48,990,679	100.0	153,490,679	100.0

SHARE PRICE DEVELOPMENT



	Jan-Mar		Jan-Dec
	2022	2021	2021
Total number of issued shares at period end	59 440 679	54 440 679	59 440 679
Average number of shares outstanding	59 440 679	54 440 679	55 690 679
Earnings per share, before and after dilution, SEK	-0,56	2,28	-1,93
Equity per share, SEK	5,38	7,80	7,14

SHARE INFORMATION

The number of shares in Climeon amounts to 59,440,679 with quota value of 0.015 SEK, of which 10,450,000 are Class A shares, 10 votes/share, and 48,990,679 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 14.46 at the end of the period.

NOTER

NOTE 1 ACCOUNTING PRINCIPLES

Climeon prepares consolidated statements since the first of January 2020 in accordance with the Swedish Annual Accounts Act (1995: 1554), 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 2021 pages 56-64.

NOTE 2 DISTRIBUTION OF NET SALES

CONSOLIDATED

SEK, thousand	Jan-Mar		Jan-Dec
	2022	2021	2021
Revenue type			
Hardware	1,063	14,720	39,348
Consulting and support services	783	804	3,826
Total	1,846	15,524	43,174
Geographic market			
Sweden	165	51	125
Europe	233	15,311	37,030
Asia	1,448	161	6,019
Total	1,846	15,524	43,174

NOTE 3 INTANGIBLE ASSETS

Intangible assets of the Group comprise capitalized expenditure on development SEK 105.1 million (100.5) and patents SEK 6.0 million (5.9). Depreciations during the quarter amounted to SEK 4.1 million (2.6) and amortizations of the period amounted to SEK 1.0 million (0.0).

NOTE 4 TANGIBLE ASSETS

Tangible assets of the Group comprise leasehold improvements SEK 13.4 million (12.9), right-of-use assets according to IFRS 16, SEK 20.2 million (21.6), equipment SEK 2.5 million (2.5), technical equipment SEK 3.7 million (4.1) and systems located at customer premises and where the customers pay for the electricity generated ("As-a-Service") SEK 0.5 million (0.6). Depreciations during the quarter amounted to SEK 2.8 million (2.6).

NOTE 5 FINANCIAL ASSETS

Financial assets of the Group amount to SEK 107.4 million (114.3) and consist of shares in the finance company Baseload Capital of SEK 102.0 million (109.0), corresponding to 12.2 percent (12.2) ownership of the company. The holding of the shares is not reported as a "Hold to Collect" as other financial assets but as other and are valued at fair value through the profit/loss statement. Revaluation has affected the quarter by SEK -7.0 million (51.2). The profit/loss effect is reported as a financial item. Warrants in Baseload Capital have at the balance sheet date been assigned a value of zero in the financial statements.

Other financial assets consist of deferred tax SEK 0.3 million (0.3), rental deposits SEK 0.1 million (0.2) and personnel loans of SEK 5.0 million (4.8).

NOTE 6 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets and contingent liabilities amount to SEK 0.0 million (0.0) and refer to prepayment guarantees to customers.

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 4, 2022

Thomas Öström
Chairman of the Board

Jan Svensson
Deputy Chairman

Therese Lundstedt
Board member

Anders Lindberg
Board member

KEY NUMBERS FOR THE GROUP

	Jan-Mar		Jan-Dec
	2022	2021	2021
Order intake, SEK million	0.7	15.4	17.7
Order backlog, SEK million	178.9	662.6	728.5
Equity ratio (%)	63.1	66.7	66.7
Debt ratio (times)	0.6	0.5	0.5
Net debt ratio (times)	-0.2	-0.5	-0.7
Earnings per share, before and after dilution, SEK	-0.56	0.23	-4.51
Equity per share, SEK	5.38	7.80	7.14
Share price at period end, CLIME B, SEK	14.46	35.62	12.40
Cash and cash equivalents, SEK million	116.6	314.9	299.2

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.
Availability	$\text{Availability [\%]} = \frac{\text{Average availability for Climeon modules}}{\sum_{i=1}^n \text{Available time}} \times 100$ $= \frac{\sum_{i=1}^n \text{Available time}}{\sum_{i=1}^n (\text{Available time} + \text{Unscheduled down-time})} \times 100$ <p>where n= number of Climeon modules, and Unscheduled down-time = total of all unscheduled down-time due to failures caused by Climeon</p>

QUARTERLY FIGURES, CONSOLIDATED

INCOME STATEMENT

SEK, million	2022		2021		
	Q1	Q4	Q3	Q2	Q1
Net sales	1.8	3.2	1.5	8.5	15.5
Capitalized work for own account	2.2	2.7	9.3	9.8	7.0
Other operating income	0.0	0.1	0.0	0.1	-
Operating expenses					
Raw material and consumables	-0.0	-6.9	-8.9	-15.6	-22.3
Other external expenses	-5.9	-7.8	-7.6	-17.8	-10.8
Personnel expenses	-14.5	-16.2	-20.3	-23.4	-22.1
Depreciation and amortization	-7.9	-8.6	-6.1	-6.3	-5.5
Other operating expenses	-0.0	-1.6	0.0	0.0	-0.4
Operating profit/loss	-24.3	-35.0	-32.0	-44.7	-38.5
Net financial income	-8.7	-1.2	-3.3	-3.7	51.2
Profit/loss after financial items	-33.0	-36.2	-35.4	-48.4	12.7
Tax	0.0	0.0	0.0	0.0	0.0
Profit/loss for the period	-33.0	-36.2	-35.3	-48.4	12.7
Earnings per share, before and after dilution, SEK	-0.56	-0.62	-0.65	-0.89	0.23

BALANCE SHEET

SEK, million	2022		2021		
	Q1	Q4	Q3	Q2	Q1
Intangible non-current assets	111.1	106.4	108.4	101.8	95.3
Tangible non-current assets	40.7	41.6	42.0	40.9	39.5
Financial assets	107.4	114.3	115.0	117.2	119.8
Total non-current assets	259.3	262.3	265.4	260.0	254.6
Inventories	56.4	56.2	62.1	63.6	59.8
Current receivables	74.9	75.3	81.4	89.7	97.8
Short-term investments	-	-	-	-	-
Cash and cash equivalents	116.6	152.0	161.8	198.1	232.6
Total current assets	247.9	283.5	305.3	351.4	390.3
Total assets	507.1	545.8	570.7	611.4	644.9
Shareholder's equity	319.8	352.4	353.5	389.1	437.3
Non-current liabilities and other provisions	55.3	57.2	106.5	116.0	119.2
Current liabilities	132.1	136.2	110.6	106.4	88.4
Total equity and liabilities	507.1	545.8	570.7	611.4	644.9

CASH FLOW STATEMENT

SEK, million	2022		2021		
	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	-18.6	-28.6	-28.1	-34.4	-31.4
Changes in working capital	4.3	-0.0	6.9	15.2	-26.5
Cash flow from operating activities	-14.3	-28.6	-21.3	-19.2	-57.8
Investing activities	-11.9	-7.2	-13.6	-13.7	-7.5
Cash flow after investing activities	-26.2	-35.9	-34.9	-32.9	-65.3
Financing activities	-9.1	26.0	-1.4	-1.6	-1.4
Cash flow for the period	-35.3	-9.8	-36.3	-34.5	-66.6
Cash and cash equivalents at the beginning of the period	152.0	161.8	198.1	232.6	299.2
Exchange rate differences in cash and cash equivalents	-0.0	0.0	0.0	-0.0	0.0
Cash and cash equivalents at the end of the period	116.6	152.0	161.8	198.1	232.6

THIS IS CLIMEON

Climeon is a Swedish product company within energy technology. The company's unique technology for thermal power - Heat Power - makes accessible a largely unused energy source and provides sustainable electricity from hot water, around the clock, all year round. Heat Power is a cheap and renewable energy source with the potential to replace much of the energy that today comes from coal, nuclear power, oil and gas. The B share is listed on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is a Certified Adviser, +46(0)8-528 00 399 info@fnca.se.

BUSINESS IDEA

Climeon contributes to the future of renewable energy with innovative heat power solutions that are profitable for customers – Business for a better world.

LONG-TERM OPERATIONAL GOALS

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

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

CORE VALUES



DO GOOD



BE A TEAMPLAYER



ALWAYS DELIVER

HEADQUARTERS

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