

YEAR-END REPORT

JANUARY 1, 2021 – DECEMBER 31, 2021



Q4
2021

SUCCESSFUL INSTALLATION WORK ONBOARD VESSELS

CLIMEON CONTINUES TO FOCUS ON THE NEXT GENERATION OF HEAT POWER

The temporary easing of Corona restrictions during the fourth quarter enabled Climeon to complete the installation of a Heat Power system on one of Maersk's container vessels, as well as to continue the work on Havila Voyage's and Virgin Voyage's cruise ships. The efficiency program that began in the summer, ended during the quarter, and has started to yield results. The development of the next generation of Climeon Heat Power, initially optimized for the marine market, continued according to plan. Through a directed new share issue, Climeon received issue proceeds of SEK 35 million and Peter Lindell became, through the wholly owned company Cidro Förvaltning AB, Climeon's second largest owner.

OCTOBER - DECEMBER

- Order intake amounted to SEK 2.2 million (0.0)
- Net sales amounted to SEK 3.2 million (0.4)
- Operating profit/loss amounted to SEK -35.0 million (-36.2)
- Profit/loss after financial items amounted to SEK -36.2 million (-39.4)
- Earnings per share, before and after dilution, amounted to SEK -0.64 (-0.72)
- Cash flow from operating activities after changes in working capital amounted to SEK -28.6 million (-54.6)

IMPORTANT EVENTS IN THE PERIOD

- Climeon put the Heat Power system on board one of Maersk's container vessels into operation. Maersk will now evaluate waste heat recovery as part of reducing its CO2 emissions.
- Through a directed new issue, comprised of five million Class B shares, to the company wholly owned by Peter Lindell, Cidro Förvaltning AB, Climeon received issue proceeds of SEK 35 million. Peter Lindell thus became Climeon's second largest shareholder and will take a seat on the company's nomination committee ahead of the 2022 Annual General Meeting.
- Climeon disclosed that the previously announced pilot project together with Höganäs AB and Höganäs Energi AB will not be implemented.
- Carl Arnesson took over as Climeon's new CFO.

JANUARY - DECEMBER

- Order intake amounted to SEK 2.3 million (56.3)
- Net sales amounted to SEK 28.8 million (43.3)
- Order backlog amounted to SEK 179.7 million (728.5)
- Operating profit amounted to SEK -150.3 million (-135.7)
Operating profit/loss was affected by non-recurring items of SEK -6.0 million regarding provisions for loss contracts based on the in-depth experience gained in geothermal energy. Adjusted from this, operating profit/loss amounted to SEK -141.3 million
- Profit/loss after financial items amounted to SEK -107.3 million (-139.9)
- Earnings per share, before and after dilution, amounted to SEK -1.93 (-2.76)
- Cash flow from operating activities after changes in working capital amounted to SEK -126.9 million (-107.6)
- Total cash and cash equivalents amounted to SEK 152.0 million (299.2)

IMPORTANT POST-CLOSING EVENTS

- Climeon has split its sales organization and reorganized it into two teams, one for the marine market and one for land-based markets. As part of this, Christina Bäck, Head of Sales & Markets, terminated her employment at Climeon on January 31, 2022.

A WORD FROM OUR CEO:



Lena Sundquist, VD för Climeon

"We have gone through a transformation and are continuing our journey forward."

CLIMEON CONTINUES TO FOCUS ON THE NEXT GENERATION OF HEAT POWER

In Climeon's report for the third quarter of 2021, I wrote that Climeon's technology is more relevant now than ever before. The global increase of electricity and fuel prices that both companies and individual consumers have encountered during the fourth quarter of 2021, further strengthens this picture. We are in the middle of a transition, a transition that every day increases the need to find new, energy-efficient solutions and more environmentally friendly ways to produce electricity. Heat Power is an integral part of this transition to a more environmentally smart society. This is clear from the number of inquiries we receive from existing and potential customers in different markets - from the maritime industry to the process industry.

The fourth quarter of the year, as well as 2021 as a whole, was both gratifying and challenging on several different levels. The easing of the European Corona restrictions that came during the second half of the year allowed us to meet customers in Europe and complete the installation of a Heat Power system on one of Maersk's container vessels. The system will now be evaluated as part of Maersk's efforts to reduce its environmental impact. We were also able to resume installations for Havila Voyage's and Virgin Voyage's vessels and begin installation and commissioning of two previously sold Heat Power systems in Japan, where we also sold aftermarket services. At the same time, constraints on the Asian and U.S. markets remained, which affected our sales activities in these markets. Throughout the pandemic, Climeon has been successful in navigating challenges and adapting to prevailing conditions to meet customer needs. We still have that ability.

Another of Climeon's long-term challenges is financial development. For the fourth quarter of 2021, net sales amounted to SEK 3.2 million and the operating profit to SEK -35.0 million. For the full year, the corresponding figures were 28.8 million and -150.3 million, respectively. This, of course, is not sustainable in the long run. The focus for me right now is that we, in everything substantial, concentrate on developing our product for the maritime market and on building an efficient, goal-oriented and - above all - profitable company. This requires time and resources, so it is gratifying that through our new issue in November we received 35 million in issue proceeds and that Peter Lindell, through his company Cidro Förvaltning AB, has joined as a committed second largest owner. In parallel with this, work continues on the company's long-term financing.

I definitely think we can be proud of what we have achieved - we have a product that is in operation, both on board ships and on land in Sweden, Iceland, and Japan and which has an outstanding efficiency and reliability. Every day, our Heat Power modules deliver renewable electricity to our customers. But that is not enough, we need to go even further, we need to create a product that is more cost-effective and generates more electricity at a lower cost, in order to meet our customers' expectations. During the year, our R&D department has comprehensively challenged our existing technology and focused entirely on customers' requests and needs, especially price per kilowatt hour produced. It has taken time and required a lot of work, but we have made real progress and there is a clear way forward. We are currently working on the first prototype for the new generation of Heat Power. I can also mention that during the quarter we were recertified according to the standards ISO 9001 and ISO 14001.

In the same way in which our R&D department has maintained strategic focus this quarter, we have worked with our organization as a whole. The efficiency program we launched this summer has been completed. The organization has been reviewed, the team is in place and the direction is clear. We have gone through a transformation and are continuing our journey forward. At the same time, it has not been an easy process. It never is when employees have to leave a company. During the autumn, the number of employees went from 72 to approx. 50, which reduces our cost base. During the journey, we have reviewed and rationalized our R&D work and reduced our dependence on external consultants. We have also reduced our presence in Japan, Taiwan, and the United Kingdom. Market monitoring and marketing will henceforth be run by Climeon in Sweden, but with support from local partners and subcontractors for aftermarket services. Once again, it is important to point out that we remain in these markets, and that all our collaborations and commitments to customers and partners will be fulfilled. Of course, we will also continue to explore new opportunities in adjacent market segments.

Climeon is changing. We have built a more efficient and effective organization and we are currently developing the next generation of our product, but our purpose and mission remains unchanged. We will create solutions that render us an important role in the transition to a more sustainable world. Developments in recent months show that energy-efficient solutions such as ours are both needed and in demand more now than ever before. It is a great opportunity that I, along with the entire team at Climeon, now are working to take full advantage of.

Lena Sundquist, CEO Climeon

MARKET, SALES AND DELIVERY

THE MARKET

Demand for new, efficient and more climate-adapted solutions is growing steadily in a number of different areas, as a result of rising electricity and fuel prices, as well as new and stricter environmental regulations. Climeon's unique solution to capture residual heat from various processes at relatively low temperatures and in a cost-effective manner is an important part of the opportunity to meet the challenges of the ongoing climate crisis. For Climeon's customers, whether it is marine or land-based applications, the relationship between the amount of electricity that can be produced and the price of the product is critical for the investment decision.

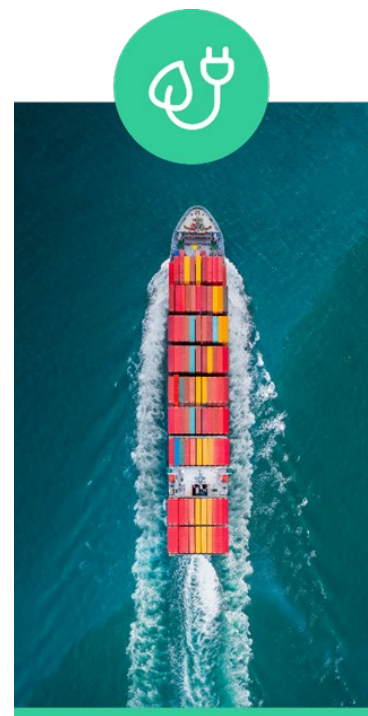
Climeon operates in several different markets where the maritime segment currently sees the quickest development, driven by increased demands for energy efficiency and reduced CO2 emissions. After installing over 30 Heat Power units on various vessels, Climeon has accumulated an extensive knowledge of the maritime market. The experience from installations and commissioning, the existing customer base, and the fact that the maritime industry is mature both in terms of procurement, legal requirements, and regulatory frameworks, form the basis for Climeon's initial focus on developing and adapting its technology for marine use. In the next stage, such a product can be further developed and adapted to the needs and requirements that exist for land-based applications such as geothermal or industrial. The industrial market is very large and multifaceted. The different markets operate under different circumstances. For the customer, it is crucial to get an optimal solution adapted to their needs, while for Climeon it is important to find opportunities for scalable and repeatable solutions.

Climeon's efficiency program

During the third and fourth quarters of 2021, Climeon implemented a cost-efficiency program. As a result, the company has reduced its local presence outside Sweden and reduced the number of employees from 72 at the end of June to about 50 at year end. Market monitoring and marketing will henceforth be run by Climeon in Sweden, but with support from local partners and subcontractors for aftermarket services. Climeon remains in its markets and continues to explore opportunities in adjacent segments. The company's existing collaborations and commitments to Baseload and other existing customers continue as before.

The impacts of COVID-19

During the financial year, Climeon has to a significant extent adapted its operations to the limitations that Corona-related restrictions entailed. Climeon has, for example, performed digital acceptance tests, so-called FATs, conducted remote support with the aid of local staff for installations and deployments, and contracted third-party staff where the company has not had access to its own employees. The fact that the restrictions eased in Europe during the fourth quarter meant increased opportunities for customer contacts. At the end of the year, however, new restrictions were introduced in Europe and large parts of the rest of the world, something that Climeon adapted to.



ORDER INTAKE AND ORDER BACKLOG

During the fourth quarter of 2021, no new orders were signed for Heat Power systems (0.0), while aftermarket orders were signed for SEK 2.2 million. At the end of the period, the order backlog amounted to SEK 179.7 million (728.5), corresponding to 54 (215) Heat Power systems. 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

After being delayed as a result of the corona restrictions, the commissioning of the Heat Power system onboard one of Maersk's container vessels was completed during the quarter. Work on installations on Havila Voyage's cruise ships, intended for traffic along the Norwegian coast, continued according to plan. In parallel, work was underway on Virgin Voyage's third vessel, Resilient Lady, and on the company's fourth vessel. New environmental legal requirements and the transition to new, more expensive types of fuel have contributed to increased demand for the type of system for recycling residual heat that Climeon offers. Activity is high and Climeon has during the year increasingly received quotation requests from potential customers.



GEOHERMAL

During the quarter, Climeon continued according to plan with commissioning, deliveries, and service to existing customers, primarily in Japan and Iceland. Varnaorka's power plant Flúðir was able to report a continued high availability of 98.0 percent from Climeon's Heat Power system. Two more systems are currently being commissioned in Japan.



INDUSTRY

The market for land-based residual heat recovery is, like the market for industrial applications, global. Climeon has so far chosen to focus on industrial customers in the UK and Sweden. In the autumn of 2021, Landmark Power Holdings, Climeon's British partner, announced that funding had been secured for the continued development of a solution intended for climate-neutral energy projects in the United Kingdom. Project planning and early preparations for a future installation could thus begin.



TECHNOLOGY DEVELOPMENT

Development work for the next generation of Climeon's Heat Power system, initially adapted for marine applications, continued as planned during the quarter. The new generation is based on experience from our Heat Power systems already in operation but has a strong focus on a reduced product cost, in relation to the amount of electrical energy that can be produced. This has proved possible to achieve, partly through new design solutions and partly through increased utilization of standard components where appropriate. Climeon has begun prototype development and has signed agreements with key component suppliers for the next generation. As part of this, it can be mentioned that Climeon has continued the investments in its test site to be able to verify and optimize the new product generation.



Above: Climeon engineer onboard Maersk vessel.

Below: Climeon and Maersk engineers complete final inspection of the Heat Power system.



Climeon engineer working on test site in Kista, Sweden.

THE GROUP'S FINANCIAL DEVELOPMENT

OCTOBER - DECEMBER

NET SALES AND EARNINGS

Net sales amounted to SEK 3.2 million (0.4) . Net sales are mainly attributable to service commitments for existing customers.

Operating profit/loss amounted to SEK -35.0 million (-36.2) .

Net financial income/expense amounted to SEK -1.2 million (-3.2) , whereof SEK -0.2 million (-1.0) related to a revaluation of the investment in Baseload Capital.

Profit/loss after financial items amounted to SEK -36.2 million (-39.4) . Depreciations and amortizations amounted to SEK -8.6 million (-5.4) .

CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK -28.6 million (-54.6) , whereof the change in working capital amounted to SEK 0.0 million (-19.1) .

Cash flow from investing activities amounted to SEK -7.2 million (-9.0) , derived from capitalization of internally generated development expenses and expenses for patents of SEK -3.8 million (-8.4) .

Cash flow from financing activities amounted to SEK 26.0 million (323.1) .

Cash flow for the quarter thus amounted to SEK -9.8 million (259.4) .

JANUARY - DECEMBER

NET SALES AND EARNINGS

Net sales amounted to SEK 28.8 million (43.3) . Net sales are mainly attributable to deliveries of Heat Power modules to Havila Voyages, Maersk and Virgin Voyages' fourth vessel.

Operating profit/loss for the period amounted to SEK -150.3 million (-135.7) . Operating profit/loss was affected by non-recurring items of SEK -6.0 million regarding provisions for loss-making contracts based on the in-depth experience gained in geothermal energy. Adjusted from this, operating profit/loss amounted to SEK -141.3 million.

Net financial income/expense amounted to SEK 43.0 million (-4.2) , whereof SEK 46.9 million (0.6) related to a revaluation of the investment in Baseload Capital.

Profit/loss after financial items amounted to SEK -107.3 million (-139.9) . Depreciations and amortizations amounted to SEK -26.6 million (-19.4) .

CASH FLOW

Cash flow from operating activities after change in working capital amounted to SEK -126.9 million (-107.6) , whereof the change in working capital amounted to SEK -4.4 million (12.1) and is attributable to business-related changes in inventories, accounts receivable and accounts payable.

Cash flow from investing activities amounted to SEK -42.0 million (-19.9) , derived from capitalization of internally generated development expenses and expenses for patents of SEK -31.0 million (-38.0) .

Cash flow from financing activities amounted to SEK 21.6 million (319.0) .

Cash flow for the period amounted to SEK -147.3 million (191.5) .

FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 152.0 million (299.2) . The equity ratio amounted to 64.6 percent (66.7) and the net debt ratio amounted to -0.5 times (-0.7) . Shareholder's equity amounted to SEK 352.4 million (424.5) or SEK 5.9 (7.8) per share.

DEFERRED TAX ASSET

The company has unutilized deficit carryforwards in Sweden amounting to SEK 599.5 million (459.3) , 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 27.5 million (43.2) . Operating profit/loss amounted to SEK -141.9 million (-128.2) and profit/loss after financial items amounted to SEK -97.5 million (-130.8) .



OTHER INFORMATION

FINANCIAL CALENDAR

Annual Report 2021

April 20, 2022

Interim report of first quarter 2022

May 3, 2022

Annual General Meeting

May 18, 2022

Interim report of second quarter 2022

July 18, 2022

Interim report of third quarter 2022

October 26, 2022

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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 February 9, 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 December amounted to 60 (85) , of which 19 (22) percent women and 81 (78) percent men. At the end of December, the number of employees amounted to 46 (76) .

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 December 31, 2021, the company has one outstanding warrant program as described below. For further information regarding the warrants, see page 80 in the 2020 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 52-54 in the 2020 annual report.

ADDITIONAL INFORMATION IN RESPECT OF COVID-19

During the financial year, Climeon has to a significant extent adapted its operations to the restrictions that the Corona-related restrictions have entailed. Above all, this has affected planned commissioning, which has had to be postponed on a number of occasions. However, the fact that the restrictions eased in Europe during the fourth quarter meant increased opportunities for customer contacts. At the end of the year, however, new restrictions were introduced in Europe and large parts of the rest of the world, something that Climeon is once again adapted to.

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	Oct-Dec		Jan-Dec	
		2021	2020	2021	2020
Net sales	2	3,197	443	28,765	43,334
Capitalized work for own account		2,715	7,707	28,925	36,680
Other operating income		51	90	133	2,044
Total income		5,963	8,241	57,822	82,058
Operating expenses					
Raw material and consumables *)		-6,875	-7,192	-53,696	-61,909
Other external expenses		-7,753	-8,715	-43,945	-41,591
Personnel expenses		-16,179	-23,162	-81,979	-94,858
Depreciation and amortization		-8,623	-5,366	-26,599	-19,351
Other operating expenses		-1,582	-	-1,931	-
Operating profit/loss		-35,050	-36,195	-150,327	-135,651
Profit/loss from financial items					
Net financial income	5	-1,196	-3,160	43,014	-4,233
Profit/loss after financial items		-36,246	-39,355	-107,313	-139,884
Tax		12	20	65	77
Profit/loss for the period		-36,233	-39,335	-107,248	-139,807
Earnings per share, SEK					
Before dilution		-0.64	-0.72	-1.93	-2.76
After dilution		-0.64	-0.72	-1.93	-2.76

SEK, thousand	Note	Oct-Dec		Jan-Dec	
		2021	2020	2021	2020
Profit/loss for the period		-36,233	-39,335	-107,248	-139,807
Other comprehensive profit/loss for the period					
Translation differences		49	458	146	677
Other comprehensive profit/loss for the period		49	458	146	677
Comprehensive income/loss for the period		-36,184	-38,877	-107,102	-139,130
Comprehensive income/loss for the period attributable to Shareholders of the parent company		-36,184	-38,877	-107,102	-139,130

*) In raw material capitalized costs relating to direct material are included to an amount of 0 (3,405) in the quarter and 16,096 (20,550) in the full period.

CONSOLIDATED BALANCE SHEET

SEK, thousand	Note	31 Dec 2021	31 Dec 2020
Assets			
Intangible non-current assets	3	106,365	90,879
Tangible non-current assets	4	41,619	41,973
Financial assets	5	114,304	63,676
Total non-current assets		262,288	196,528
Inventories		56,239	55,437
Accounts receivable		39,605	27,194
Other current receivables	6	18,259	42,242
Short-term investments		-	15,700
Cash and cash equivalents		151,984	299,217
Total current assets		283,500	439,790
Total Assets		545,788	636,318
Equity and liabilities			
Share capital		892	817
Other contributed capital		964,689	929,764
Retained earnings		-506,117	-366,987
Profit/loss for the period		-107,102	-139,130
Total shareholder's equity		352,362	424,464
Other provisions		23,686	18,337
Total provisions		23,686	18,337
Other non-current liabilities		33,537	107,185
Total non-current liabilities		33,537	107,185
Advance payments from customers		29,765	31,195
Accounts payable		5,692	15,116
Other current liabilities		100,747	40,022
Total current liabilities		136,203	86,333
Total equity and liabilities		545,788	636,318

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 2021-01-01	817	929,764	-506,117	424,464
Comprehensive profit/loss				
Profit/loss for the period	-	-	-107,248	-107,248
Other comprehensive profit/loss for the period				
Translation differences	-	-	146	146
Other comprehensive profit/loss for the period:	-	-	146	146
Total comprehensive profit/loss	-	-	-107,102	-107,102
Transactions with share holders:				
Rights issue	75	34,925	-	35,000
Sum of transactions with shareholders	75	34,925	-	35,000
Closing balance equity 2021-12-31	892	964,689	-613,219	352,362

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 2020-01-01	740	684,976	-366,987	318,729
Comprehensive profit/loss:				
Profit/loss for the period	-	-	-139,807	-139,807
Other comprehensive profit/loss for the period:				
Translation differences	-	-	677	677
Other comprehensive profit/loss for the period:	-	-	677	677
Total comprehensive profit/loss	-	-	-139,130	-139,130
Transactions with share holders:				
Rights issue	75	244,790	-	244,865
Warrants	2	-2	-	-
Sum of transactions with shareholders	77	244,788	-	244,865
Closing balance equity 2020-12-31	817	929,764	-506,117	424,464

CONSOLIDATED CASH FLOW STATEMENT

SEK, thousand	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Operating activities				
Operating profit/loss	-35,050	-36,195	-150,327	-135,651
Adjustments for items not included in cash flow	8,245	7,311	33,472	23,681
Financial items	-1,798	-6,670	-5,659	-7,743
Cash flow from operating activities before changes in working capital	-28,603	-35,554	-122,514	-119,713
Change in working capital	-15	-19,089	-4,409	12,076
Cash flow from operating activities	-28,618	-54,643	-126,923	-107,637
Investing activities				
Investments in intangible assets	-3,808	-8,377	-31,042	-38,046
Investments in tangible assets	-3,927	-762	-12,171	-1,311
Change in financial assets	496	141	1,200	19,471
Cash flow from investing activities	-7,239	-8,998	-42,013	-19,886
Cash flow after investing activities	-35,857	-63,640	-168,936	-127,524
Financing activities				
Change in short-term debt	-8,958	-1,344	-13,354	-5,455
Change in long-term debt	-	79,568	-	79,568
Share issue	35,000	244,863	35,000	244,863
Cash flow from financing activities	26,042	323,087	21,646	318,976
Cash flow for the period	-9,815	259,446	-147,290	191,452
Cash and cash equivalents at the beginning of the period	161,785	39,857	299,217	107,862
Exchange rate differences in cash and cash equivalents	14	-87	57	-98
Cash and cash equivalents at the end of the period	151,984	299,217	151,984	299,217

PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK, thousand	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net sales	3,043	319	27,546	43,209
Capitalized work for own account	2,715	7,707	28,925	36,680
Other operating income	50	90	50	2,044
Total income	5,808	8,116	56,520	81,933
Operating expenses				
Raw material and consumables	-6,852	-7,168	-53,583	-61,585
Other external expenses	-8,346	-9,110	-46,813	-44,437
Personnel expenses	-14,716	-21,552	-75,384	-90,580
Depreciation and amortization	-7,185	-3,938	-20,710	-13,547
Other operating expenses	-1,582	-	-1,931	-
Operating profit/loss	-32,873	-33,652	-141,900	-128,217
Profit from financial items				
Net financial income	-811	-2,652	44,425	-2,612
Profit/loss after financial items	-33,684	-36,304	-97,475	-130,829
Tax	-	-	-	-
Profit/loss for the period 1)	-33,684	-36,304	-97,475	-130,829

1) Other comprehensive income for the period correspond to net result for the period

PARENT COMPANY'S BALANCE SHEET IN SUMMARY

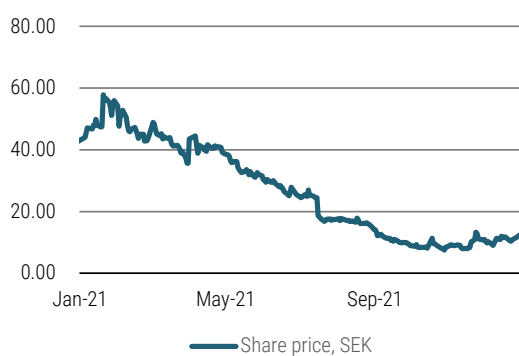
SEK, thousand	31 Dec 2021	31 Dec 2020
Assets		
Intangible non-current assets	106,365	90,879
Tangible non-current assets	19,311	14,115
Financial assets	131,177	73,266
Inventories	56,239	55,437
Current receivables	76,676	69,636
Short-term investments	-	15,700
Cash and cash equivalents	151,407	297,532
Total Assets	541,174	616,566
Equity and liabilities		
Shareholder's equity	371,864	434,338
Provisions	23,686	18,337
Non-current liabilities	10,381	78,134
Current liabilities	135,244	85,757
Total equity and liabilities	541,174	616,566

THE CLIMEON SHARE

LARGEST SHAREHOLDERS PER JUNE 30, 2021

Shareholders	Number of shares		Capital, %	Number of votes	Voting rights, %
	Series A	Series B			
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	-	3,034,513	5.1	3,034,513	2.0
Försäkringsbolaget, Avanza Pension	-	2,459,001	4.1	2,459,001	1.6
SEB AB, Luxembourg Branch, W8IMY	-	1,156,851	1.9	1,156,851	0.8
Olle Bergström	-	1,059,418	1.8	1,059,418	0.7
SEB-Stiftelsen	-	1,000,000	1.7	1,000,000	0.7
Nordnet Pensionsförsäkringar AB	-	839,098	1.4	839,098	0.5
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
Mathias Carnemark	-	490,710	0.8	490,710	0.3
Andreas Billström	-	440,816	0.7	440,816	0.3
Karolina Tham Von Heidenstam	-	432,200	0.7	432,200	0.3
Others	-	27,367,918	46.0	27,367,918	17.8
Total	10,450,000	48,990,679	100.0	153,490,679	100.0

SHARE PRICE DEVELOPMENT



	Oct-Dec		jan-dec	
	2021	2020	2021	2020
issued shares at period end	59,440,679	54,440,679	59,440,679	54,440,679
shares outstanding	56,940,679	54,440,679	55,690,679	50,682,452
Earnings per share, before and after dilution, SEK	-0.64	-0.72	-1.93	-2.76
Equity per share, SEK	5.93	7.80	5.93	7.80

SHARE INFORMATION

The number of shares in Climeon amounts to 59,440,679 with quota value of SEK 0.015, 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 12.40 at the end of the period.

NOTES

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 2020 pages 61-72.

NOTE 2 DISTRIBUTION OF NET SALES

CONSOLIDATED

SEK, thousand	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Revenue type				
Hardware	1,174	-	23,974	39,384
Consulting and support services	2,023	443	4,791	3,951
Total	3,197	443	28,765	43,335
Geographic market				
Sweden	81	59	179	126
Europe	919	206	24,623	37,065
Asia	2,197	179	3,963	6,144
Total	3,197	443	28,765	43,335

NOTE 3 INTANGIBLE ASSETS

Intangible assets of the Group comprise capitalized expenditure on development SEK 100.5 million (84.1) and patents SEK 5.9 million (6.8). Accumulated depreciations for intangible fixed assets for the period amounted to SEK 2.8

million (0.5). Depreciations during the quarter amounted to SEK 3.8 million (2.8). Accumulated depreciations of the period amounted to SEK 12.8 million (8.9).

NOTE 4 TANGIBLE ASSETS

Tangible assets of the Group comprise leasehold improvements SEK 12.9 million (8.2), right-of-use assets according to IFRS 16, SEK 21.6 million (27.8), equipment SEK 2.5 million (0.9), technical equipment SEK 4.1 million (4.4) and systems located at customer premises and where the customers pay for the electricity generated ("As-a-Service") SEK 0.6 million (0.7). Depreciations during the quarter amounted to SEK 1.4 million (2.6). Accumulated depreciations of the period amounted to SEK 5.2 million (10.5).

NOTE 5 FINANCIAL ASSETS

Financial assets of the Group amount to SEK 114.3 million (63.7) and consist of shares in the finance company Baseload Capital of SEK 109.0 million (45.4), corresponding to 12.2 percent (15.7) 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 -0.2 million (-1.0). Accumulated revaluation of the year amount to SEK 46.6 million (-0.4). 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 0.2 million (0.1) and personnel loans of SEK 4.8 million (6.1).

NOTE 6 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets and contingent liabilities amount to SEK 0.0 million (3.6) 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, February 9, 2022

Thomas Öström
Chairman of the Board

Jan Svensson
Deputy Chairman

Therese Lundstedt
Board member

Anders Lindberg
Board member

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

KEY NUMBERS FOR THE GROUP

	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Order intake, SEK million	2.2	-	2.3	56.3
Order backlog, SEK million	179.7	728.5	179.7	728.5
Equity ratio (%)	64.6	66.7	64.6	66.7
Debt ratio (times)	0.5	0.5	0.5	0.5
Net debt ratio (times)	-0.4	-0.5	-0.4	-0.5
Earnings per share, before and after dilution, SEK	-0.64	-0.72	-1.93	-2.76
Equity per share, SEK	5.93	7.80	5.93	7.80
Share price at period end, CLIME B, SEK	12.40	42.62	12.40	42.62
Cash and cash equivalents, SEK million	152.0	314.9	152.0	314.9

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	$\text{Availability [\%]} = \frac{\text{Average availability for Climeon modules}}{\text{Average availability for Climeon modules}} \times 100$ $= \frac{\sum_{i=1}^n \text{Available time}}{\sum_{i=1}^n (\text{Available time} + \text{Unscheduled down-time})} \times 100$ <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	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	3.2	1.5	8.5	15.5	0.4	13.2	15.6	14.1
Capitalized work for own account	2.7	9.3	9.8	7.0	7.7	8.5	8.5	12.0
Other operating income	0.1	0.0	0.1	-	0.1	0.4	0.2	1.3
Operating expenses								
Raw material and consumables	-6.9	-8.9	-15.6	-22.3	-7.2	-15.9	-18.2	-20.6
Other external expenses	-7.8	-7.6	-17.8	-10.8	-8.7	-13.9	-9.1	-9.9
Personnel expenses	-16.2	-20.3	-23.4	-22.1	-23.2	-18.6	-28.9	-24.2
Depreciation and amortization	-8.6	-6.1	-6.3	-5.5	-5.4	-4.5	-4.5	-5.0
Other operating expenses	-1.6	-0.0	-	-0.4	-	-	-	-
Operating profit/loss	-35.0	-32.0	-44.7	-38.5	-36.2	-30.8	-36.4	-32.2
Net financial income	-1.2	-3.3	-3.7	51.2	-3.2	-1.6	-0.2	0.8
Profit/loss after financial items	-36.2	-35.4	-48.4	12.7	-39.4	-32.4	-36.6	-31.5
Tax	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0
Profit/loss for the period	-36.2	-35.3	-48.4	12.7	-39.3	-32.4	-36.6	-31.4
Earnings per share, before and after dilution, SEK	-0.64	-0.65	-0.89	0.23	-0.72	-0.66	-0.74	-0.64

BALANCE SHEET

SEK, million	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Intangible non-current assets	106.4	108.4	101.8	95.3	90.9	85.2	78.7	71.8
Tangible non-current assets	41.6	42.0	40.9	39.5	42.0	43.8	46.8	50.4
Financial assets	114.3	115.0	117.2	119.8	63.7	65.4	54.4	55.5
Total non-current assets	262.3	265.4	260.0	254.6	196.5	194.5	179.9	177.6
Inventories	56.2	62.1	63.6	59.8	55.4	43.9	49.9	44.4
Current receivables	57.9	81.4	89.7	97.8	69.4	63.0	76.0	74.2
Short-term investments	-	-	-	-	15.7	15.7	15.7	50.7
Cash and cash equivalents	152.0	161.8	198.1	232.6	299.2	39.9	84.9	45.2
Total current assets	283.5	305.3	351.4	390.3	439.8	162.4	226.5	214.5
Total assets	545.8	570.7	611.4	644.9	636.3	356.9	406.5	392.1
Shareholder's equity	352.4	353.5	389.1	437.3	424.5	218.5	250.8	287.2
Non-current liabilities and other provisions	57.2	106.5	116.0	119.2	125.5	58.1	59.0	60.5
Current liabilities	136.2	110.6	106.4	88.4	86.3	80.3	96.7	44.5
Total equity and liabilities	545.8	570.7	611.4	644.9	636.3	356.9	406.5	392.1

CASH FLOW STATEMENT

SEK, million	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	-28.6	-28.1	-34.4	-31.4	-35.6	-25.5	-30.3	-28.4
Changes in working capital	-0.0	6.9	15.2	-26.5	-19.1	-9.5	45.2	-4.6
Cash flow from operating activities	-28.6	-21.3	-19.2	-57.8	-54.6	-35.0	15.0	-32.9
Investing activities	-7.2	-13.6	-13.7	-7.5	-9.0	-8.6	26.0	-28.3
Cash flow after investing activities	-35.9	-34.9	-32.9	-65.3	-63.6	-43.6	41.0	-61.3
Financing activities	26.0	-1.4	-1.6	-1.4	323.1	-1.4	-1.3	-1.4
Cash flow for the period	-9.8	-36.3	-34.5	-66.6	259.4	-45.0	39.7	-62.7
Cash and cash equivalents at the beginning of the period	161.8	198.1	232.6	299.2	39.9	84.9	45.2	107.9
Exchange rate differences in cash and cash equivalents	0.0	0.0	-0.0	0.0	-0.1	-0.0	-0.0	0.0
Cash and cash equivalents at the end of the period	152.0	161.8	198.1	232.6	299.2	39.9	84.9	45.2

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)

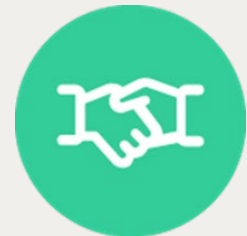
CORE VALUES



DO GOOD



BE A TEAMPLAYER



ALWAYS DELIVER

HEADQUARTERS

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