



# CLIMEON

## INTERIM REPORT

1 January - 30 June 2020

# Q2

## SECOND QUARTER 2020

During the quarter, Climeon made further progress within geothermal, despite the on-going pandemic. Two new power plants have been commissioned in Japan and the first geothermal order was received in Taiwan. Order intake increased by 67 percent and amounted to SEK 40.9 million. Despite the challenging market situation, Climeon had a positive cash flow from operating activities during the quarter. Total cash and cash equivalents and short-term investments increased by 5 percent and amounted to SEK 100.6 million at the end of the period.

### APRIL - JUNE

- Order intake amounted to SEK 40.9 million (24.5)
- Net sales amounted to SEK 15.6 million (23.9)
- Operating profit/loss amounted to SEK -36.4 million (-33.7)
- Cash flow from operating activities after change of working capital amounted to SEK 15.0 million (-80.5), the positive change in the period is mainly due to customer advances
- Climeon has been granted SEK 12 million in support from the Swedish Energy Agency for a project to make more efficient use of waste heat in the steel industry
- In April, Climeon commissioned its first geothermal installation in Japan
- In May, Climeon received a first order within geothermal in Taiwan worth SEK 40.9 million. In addition to Climeon's Heat Power system, the order also includes design and consulting services for the surrounding power plant
- In June, Climeon commissioned the second geothermal installation in Japan, which is the first in connection with a traditional Japanese spa, Onsen
- Christina Kassberg has been appointed Chief Financial Officer of Climeon

### JANUARY - JUNE

- Order intake amounted to SEK 56.3 million (24.5)
- Net sales amounted to SEK 29.7 million (46.4)
- Order backlog totaled SEK 768.9 million (800.8)
- Operating profit/loss amounted to SEK -68.6 million (-50.4)
- Cash flow from operating activities amounted to SEK -18.0 million (-101.1)
- Total cash and cash equivalents and short-term investments amounted to SEK 100.6 million (142.9)

### IMPORTANT POST-CLOSING EVENTS

- Climeon has begun registration and establishment of a subsidiary in Taiwan
- Climeon has signed a Letter of Intent with the national power company of Iceland, Landsvirkjun, initiating a cooperation. The purpose is to evaluate the possibility of combining mineral extraction with Climeon's technology

## SUCCESS WITHIN GEOTHERMAL DESPITE PANDEMIC



Thomas Öström, CEO and co-founder of Climeon

# 101

CASH AND SHORT-TERM INVESTMENTS, SEK MILLION

# 41

NET SALES, SEK MILLION

During the quarter, Climeon continued to expand geographically through a first order within geothermal heat power in Taiwan. Suitable geothermal conditions combined with favorable financial incentives from the state in the form of high feed-in tariffs to stimulate green electricity production make Taiwan an interesting market. With this first large order worth SEK 40,9 million we have laid the foundation for an establishment in Taiwan. As much as 40 percent of the order value relates to surrounding services and products, which means that we are offering the customer a more comprehensive solution than before. Selling more complete solutions is an important part of Climeon's strategy.

In Japan, during the quarter, we commissioned not only the first, but also the second geothermal power plant. I am very proud that we have succeeded in completing these two installations despite the current global situation with severe travel restrictions and delayed transports. Power plant number two has a great symbolic significance as it is next to a traditional Japanese spa, Onsen. Now we can show land owners and spa owners that they can continue their traditional onsens, while gaining access to a new source of income and switching to green energy.

In Iceland, travel restrictions and delayed transports have affected our installation work during the quarter, which is why the two power plants that were planned for commissioning this summer have been delayed. In the Fludir power plant, we have installed a larger pump to increase the water flow and thus the electricity generation from the installed modules. Currently, tests are on-going to evaluate if there is enough hot water to add even more Heat Power modules.

Covid-19 has also had major effects on the maritime industry and many cruise ships remain in port. In June, however, operations in the maritime industry began to cautiously start up again. Our installation team has now been able to board Virgin Voyages' ship in Italy to continue their work. Installation work on Maersk's vessel, on the other hand, is still delayed due to no one being allowed onboard. We therefore see a risk that commissioning will be postponed over the turn of the year.

Deployment in new markets with a completely new type of technology and solution always faces a long list of challenges where shifted time plans are part of reality. In addition, the global situation with Covid-19 has emerged as a factor. In all our focus areas, we see that ordered power plants take longer to deliver and install right now, which can delay both revenues and repeat orders from existing customers in the short term.

With the intention of getting closer to our customers, we have relocated staff to Taiwan during the quarter and strengthened the local service organization in Japan. To finance this, we have also chosen to re-organize at the headquarters in Kista. This is shown in the quarter through an extra restructuring cost of SEK 3.6 million. We thus continue the work to optimize the organization and review our costs. Overall, we show a positive cash flow and a strengthened position on cash and short-term investments in the quarter, largely thanks to our model with advances in customer orders. We continuously monitor and analyze the global course of events with regard to both operational and financial impact with the intention of ensuring the company's continued development.

Our assessment is that a continued pandemic during the fall will affect our roll-out rate during the year. At the same time, however, demand within geothermal is still very high and largely unaffected by the pandemic. We are dedicated to realizing our potential through hard work and patience for a long time to come. Establishing a new technology takes time, but for every power plant we install, we take one step towards a greener world.

Thomas Öström, CEO Climeon

# MARKET DEVELOPMENT

The market factors that mainly affect Climeon are energy situation, electricity prices and capital cost in each market. These, in turn, are affected by a number of factors such as oil prices, political initiatives and regulations, emission rights prices and access to experienced project developers.

## Geothermal

In Japan, as well as Taiwan, there are financial incentives to increase the share of renewable electricity. The Japanese government has made policy changes to support geothermal installations below 10 MW and in 2019, they announced that they will try to further reduce the barriers to investment in geothermal energy.<sup>1</sup>

In Iceland, there is a strong demand for electricity, and both private landowners and municipalities have expressed interest in better utilizing their geothermal resources and producing more electricity locally.

Within geothermal, Climeon has not seen any clear signs of lower demand due to Covid-19. However, the opportunities to travel within and between countries have been severely limited, which increases the uncertainty in the time plans. Transports have taken longer than normal, and may continue to do so for some time to come, which also creates uncertainty and risks shifting the time plans somewhat.

## Maritime

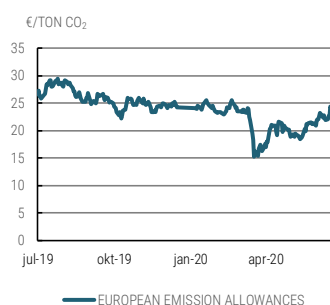
In the maritime sector, oil prices have a direct impact on the payback period for Climeon's customers, as the price of onboard electricity is determined by the fuel price. Oil prices have plummeted during the first months of the year and despite some recovery during the end of the second quarter, the price of Brent crude oil was USD 42 per barrel (66), corresponding to about USD 264 per tonne (415)<sup>2</sup>, which short-term makes energy efficiency investments less profitable. The sulfur directive<sup>3</sup> taken into effect 2020 results in the need for a more expensive and more environmentally friendly fuel, such as Marine Gasoil (MGO). However, the price of MGO has also plummeted, and at the end of the quarter the price was USD 463 per tonne (693).<sup>4</sup>

The maritime sector has largely been shut down during the spring as a result of Covid-19, but has now slowly begun to reopen. We expect demand in the sector to return as the demands for energy efficiency and reduced emissions remain.

## Industrial

The on-going Covid-19 pandemic is affecting countries and companies globally. The climate issue has been put on hold, and at the same time many companies have cut down on all non-business-critical investments, which generally includes investments to increase energy efficiency. At the same time, strong initiatives are being launched at EU level to get us out of this crisis in a green way. In connection with production shutdown in large parts of Europe, emission allowances prices fell sharply to EUR 15 per tonne in mid-March, only to recover to previous levels. At the end of the second quarter, European Emission Allowances cost about EUR 27 per tonne of CO<sub>2</sub> (27).<sup>5</sup> Each Heat Power module saves approximately 900 tonnes of carbon dioxide per year, which provides a significant financial saving for the customer in the form of reduced needs for emission rights.

## EUROPEAN EMISSION ALLOWANCES<sup>5</sup>



In April, the first installation in Japan was commissioned. The Heat Power module recovers waste heat from a larger geothermal power plant.



In June, Climeon's second installation in Japan was commissioned. This time in connection with a traditional Japanese spa, Onsen.

<sup>1</sup> Nikkei, [asia.nikkei.com/Business/Energy/Geothermal-power-in-Japan-set-to-heat-up-as-government-drills-in](https://asia.nikkei.com/Business/Energy/Geothermal-power-in-Japan-set-to-heat-up-as-government-drills-in)

<sup>2</sup> BBC, [bbc.com/news/topics/cmj223708t/oil](https://bbc.com/news/topics/cmj223708t/oil)

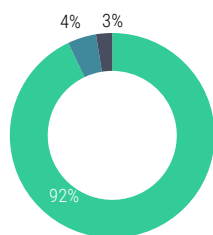
<sup>3</sup> International Maritime Organization, [imo.org/en/MediaCentre/HotTopics/Pages/Sulphur-2020.aspx](https://imo.org/en/MediaCentre/HotTopics/Pages/Sulphur-2020.aspx)

<sup>4</sup> Ship and Bunker, [shipandbunker.com/prices/av/global/av-glb-global-average-bunker-price#MGO](https://shipandbunker.com/prices/av/global/av-glb-global-average-bunker-price#MGO)

<sup>5</sup> Business Insider Markets, [markets.businessinsider.com/commodities/co2-european-emission-allowances](https://markets.businessinsider.com/commodities/co2-european-emission-allowances)

# ORDER INTAKE, SALES AND DELIVERY

## ORDER BACKLOG PER FOCUS AREA, %



## ORDER INTAKE AND ORDER BACKLOG, SEK MILLION



## ORDER INTAKE AND SALES

Order intake during the second quarter amounted to SEK 40.9 million (24.5), attributable to an order from Baseload Power in Taiwan.

At the end of the period the order backlog amounted to SEK 768.9 million (800.8), corresponding to 219 (227) Heat Power modules. The order backlog consists mainly of EUR, which are revalued at the end of the period.

## DELIVERY AND CERTIFICATION PROCESSES

During the second quarter, three Heat Power modules were delivered. Additional modules are in production for delivery in the coming quarters, which is reflected in the balance sheet Inventories. The lead time between ordering and delivery of a module is expected to stabilize over time.

At present, however, the lead times in geothermal energy are longer depending on the customers' negotiations on land rights, completion of facilities and their permit processes. Among other things, building permits, drilling permits, electricity connection permits and environmental impact assessment are permits that can take several months for customers to get in place. All permits must be in place before the customer is ready to receive module deliveries, so lead times vary depending on project. This affects the rate at which Climeon can deliver modules.

Larger businesses, especially within the geothermal segment, are often divided into several installation projects over a longer period of time, where the majority of the respective sub-projects are recognized as revenue upon delivery. For large orders, the roll-out rate is also affected by the customer's ability to complete several installation sites in parallel.

In the maritime area, deliveries can be affected by product certifications by the major classification bodies. Climeon is already certified by the Lloyds Register. For shipyard businesses, the lead time is on the order of 24 to 36 months.

For further information regarding the sales process and revenue model, please refer to the annual report for 2019.

# FINANCIAL DEVELOPMENT

## APRIL - JUNE

### NET SALES AND RESULT

Net sales amounted to SEK 15.6 million (23.9). Net sales are attributable to deliveries to customers within geothermal in Japan and Iceland.

Operating profit/loss amounted to SEK -36.4 million (-33.7). Operating profit was affected by a restructuring cost of SEK 3.6 million. Net financial income/expense amounted to SEK -0.2 million (-1.5), whereof SEK -1.1 million related to a revaluation of the investment in Baseload Capital Sweden AB. Profit/loss after financial items amounted to SEK -36.6 million (-35.1). Depreciations and amortizations amounted to SEK -4.5 million (-4.3).

### CASH FLOW

Cash flow from operating activities amounted to SEK 15.0 million (-80.5). The positive change is mainly due to customer advances. Cash flow from investing activities amounted to SEK 26.0 million (-48.9), the positive change is mainly due to sale of short-term investments. The investment activity includes capitalization of internally generated development expenses and patents SEK -8.9 million (-7.6). Cash flow from financing activities amounted to SEK -1.3 million (236.9). Cash flow for the quarter thus amounted to SEK 39.7 million (107.5).

## JANUARY - JUNE

### NET SALES AND EARNINGS

Net sales amounted to SEK 29.7 million (46.4).

Operating profit/loss for the period amounted to SEK -68.6 million (-50.4). Net financial income/expense amounted to SEK 0.5 million (7.7), whereof SEK +1.9 million related to a revaluation of the investment in Baseload Capital Sweden AB. Profit/loss after financial items amounted to SEK -68.1 million (-42.7). Depreciations and amortizations amounted to SEK -9.5 million (-8.6).

### CASH FLOW

Cash flow from operating activities after change in working capital for the period amounted to SEK -18.0 million (-101.1). Cash flow from investing activities amounted to SEK -2.3 million (-56.7), including capitalization of development expenses and patent expenses of SEK -21.2 million (-11.8). Cash flow from financing activities amounted to SEK -2.7 million (247.2). Cash flow for the period thus amounted to SEK -23.0 million (89.4).

### CASH POSITION

Cash and cash equivalents and short-term investments amounted to SEK 100.6 million (142.9) at the period-end. The equity ratio, at the same time, amounted to 54.0 percent (75.8) and the net debt/equity ratio amounted to -0.2 times (-0.2). Shareholder's equity amounted to SEK 250.8 million (318.7) or SEK 5.1 (6.5) per share.

### DEFERRED TAX ASSET

The company has unutilized loss carryforwards amounting to SEK 404.0 million (271.8), of which the tax effect has not been recognized as a deferred tax asset in the balance sheet.

### LONG-TERM FINANCIAL GOALS

Climeon's long-term financial goal is that the gross margin should amount to 50 percent and the EBITDA margin to 35 percent.

Work towards a gross margin of 50 percent continues with the best conditions in geothermal energy, especially in Japan and Taiwan. In the maritime area, it will take longer to achieve the goal. Climeon's ambition is to keep the cost base as low as possible as part of the work towards profitability and the EBITDA target.

### THE PARENT COMPANY

The Parent Company's net sales during the period amounted to SEK 29.7 M (46.4). Operating profit amounted to SEK -66.1 million (-50.8) and profit after financial items amounted to SEK -64.8 million (-42.2).



## OTHER INFORMATION

### FINANCIAL CALENDAR

Interim report third quarter 2020  
November 4, 2020

Year-end report 2020  
February 2, 2021

### CONTACT INFORMATION

Thomas Öström, CEO  
+46 708 94 96 05,  
thomas.ostrom@climeon.com

Christina Kassberg, CFO  
+46 701 84 84 43  
christina.kassberg@climeon.com

Charlotte Becker, Investor Relations  
+46 730 37 07 07,  
charlotte.becker@climeon.com

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

### PERSONNEL AND ORGANIZATION

The average number of employees during the period January to June amounted to 93 (76), of which 23 percent women and 77 percent men. At the end of June, the number of employees amounted to 92 (82), whereof 12 (0) employees were on dismissal, but had not yet terminated their employment.

### WARRANT PROGRAMS

As of June 30, 2020, the company has outstanding warrants, which entitle the holders to subscribe for 987 129 class B shares.

For further information regarding the warrants, please refer to the company's website, <https://www.climeon.com/teckningsoptionsprogram/>.

### MATERIAL RISKS AND FACTORS OF UNCERTAINTY

Material financial risks and uncertainties of the company include market risks related to agreements with customers and suppliers, liquidity and financing risks and credit and counterparty risks. A detailed presentation of the company's material financial risks is found in the directors' report in the annual report for 2019.

### ADDITIONAL INFORMATION IN RESPECT OF COVID-19

The global outbreak of Covid-19 entails increased uncertainties and risks of negative economic impact. How large the financial and macroeconomic effects may be in the future depends on how extensive and lengthy this process will be. Climeon continuously monitors and analyzes the course of events with regard to both operational and financial impact with the intention of ensuring the company's continued development.

As an example, continued travel restrictions within and between countries lead to increased uncertainty regarding the development and delivery of Climeon's projects.

Priority is given to caring for employees' health and the majority of the company's employees have worked from home. We use our technical solution Climeon Live to tune and control the power plants remotely and thus avoid travel while maintaining our commitments to customers.

An analysis of the value of the assets in the balance sheet has been carried out, whereby no impairment needs have been identified as of June 30, 2020. During the first half of 2020, a cost review and restructuring of the organization in Kista was carried out. Climeon has also taken advantage of the tax reliefs that authorities have offered without an application. Climeon is constantly exploring the additional opportunities available for financial support and financial relief.

### COMPARATIVE FIGURES

Comparative figures for income statement items and order backlog refer to the corresponding period of the previous financial year. Comparative figures for balance sheet items refer to the end of the previous fiscal year.

### OTHER INFORMATION

This interim report has not been reviewed by the auditors of the company.

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 BRIEF

## CONSOLIDATED INCOME STATEMENT

SEK, thousand	Note	Apr-Jun		Jan-Jun		Jan-Dec
		2020	2019	2020	2019	2019
Net sales	2	15,584	23,861	29,714	46,350	116,758
Capitalized work for own account		8,472	7,278	20,473	11,349	26,350
Other operating income		170	-1,114	1,517	163	3,904
<b>Operating expenses</b>						
Raw material and consumables		-18,205	-25,533	-38,807	-42,621	-109,624
Other external expenses		-9,091	-12,029	-18,950	-18,284	-42,685
Personnel expenses		-28,868	-21,841	-53,112	-38,755	-90,354
Depreciation and amortization		-4,454	-4,297	-9,459	-8,555	-21,918
<b>Operating profit/loss</b>		<b>-36,392</b>	<b>-33,676</b>	<b>-68,624</b>	<b>-50,354</b>	<b>-117,569</b>
<b>Profit from financial items</b>						
Interest income and other financial items	5	128	155	1,317	10,555	9,451
Interest expenses and other financial items		-369	-1,613	-801	-2,881	-4,552
<b>Profit/loss after financial items</b>		<b>-36,632</b>	<b>-35,134</b>	<b>-68,108</b>	<b>-42,680</b>	<b>-112,669</b>
Tax		19	46	57	97	172
<b>Profit/loss for the period 6)</b>		<b>-36,613</b>	<b>-35,088</b>	<b>-68,051</b>	<b>-42,583</b>	<b>-112,498</b>
<b>Earnings per share, SEK</b>						
Before dilution		-0.74	-0.72	-1.38	-0.89	-2.30
After dilution		-0.74	-0.72	-1.38	-0.89	-2.30

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

## CONSOLIDATED BALANCE SHEET CONDENSED

SEK, thousand	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Assets</b>				
Intangible non-current assets	3	78,727	50,279	61,683
Tangible non-current assets	4	46,835	57,106	52,823
Financial assets	5	54,371	54,541	52,493
<b>Total non-current assets</b>		<b>179,933</b>	<b>161,926</b>	<b>166,999</b>
Inventories		49,936	63,227	53,549
Accounts receivable		34,727	34,274	24,626
Other current receivables	6	41,290	16,285	32,474
Short-term investments		15,700	35,000	35,000
Cash and cash equivalents		84,865	179,346	107,862
<b>Total current assets</b>		<b>226,518</b>	<b>328,131</b>	<b>253,511</b>
<b>Total Assets</b>		<b>406,451</b>	<b>490,057</b>	<b>420,510</b>
<b>Equity and liabilities</b>				
Share capital		742	739	740
Reserves		71,210	43,053	54,461
Other paid in capital		246,858	379,749	376,026
Retained earnings		-68,051	-42,583	-112,498
<b>Total shareholder's equity</b>		<b>250,758</b>	<b>380,958</b>	<b>318,729</b>
Other provisions		16,259	9,560	14,363
<b>Total provisions</b>		<b>16,259</b>	<b>9,560</b>	<b>14,363</b>
Other non-current liabilities		42,742	38,384	46,549
<b>Total non-current liabilities</b>		<b>42,742</b>	<b>38,384</b>	<b>46,549</b>
Advance payments from customers		30,168	17,599	4,387
Accounts payable		16,150	8,633	7,861
Other current liabilities		50,375	34,923	28,621
<b>Total current liabilities</b>		<b>96,692</b>	<b>61,155</b>	<b>40,869</b>
<b>Total equity and liabilities</b>		<b>406,451</b>	<b>490,057</b>	<b>420,510</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Statement of changes in total equity	Restricted equity			Unrestricted equity		Total equity
	Share capital	On-going issue	Reserve for development costs	Premium reserve	Retained earnings	
Opening balance equity 2019-01-01	676	11,582	34,653	347,366	-234,671	159,606
Profit/loss for the period	-	-	-	-	-42,583	-42,583
Capitalization and utilization as a result of the period's depreciation and amortization of development costs	-	-	8,400	-	-8,400	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income/loss</b>	-	-	8,400	-	-50,984	-42,583
<i>Transactions with shareholders</i>						
Share issue	45	-	-	238,388	-	238,433
Premiums paid for warrants	-	-	-	-	9,968	9,968
Exercise of warrants	18	-	-	27,099	-	27,116
Paid up, non-registered share capital	-	-11,582	-	-	-	-11,582
<b>Total transactions with shareholders</b>	63	-11,582	-	265,487	9,968	263,935
<b>Closing balance equity 2019-06-30</b>	739	-	43,053	612,852	-275,687	380,958
<b>Opening balance equity 2020-01-01</b>	740	2	54,461	376,024	-112,498	318,729
Profit/loss for the period	-	-	-	-	-68,051	-68,051
Capitalization and utilization as a result of the period's depreciation and amortization of development costs	-	-	16,744	-	-16,744	-
Other comprehensive income	-	-	7	-	74	81
<b>Total comprehensive income/loss</b>	-	-	16,751	-	-84,722	-67,970
<i>Transactions with shareholders</i>						
Share issue	2	-2	-	-	-	-
<b>Total transactions with shareholders</b>	2	-2	-	-	-	-
<b>Closing balance equity 2020-06-30</b>	742	-	71,212	376,024	-197,219	250,758

## CONSOLIDATED CASH FLOW STATEMENT CONDENSED

SEK, thousand	Apr-Jun		Jan-Jun		Jan-Dec
	2020	2019	2020	2019	2019
<b>Operating activities</b>					
Operating profit	-36,392	-33,676	-68,624	-50,354	-117,569
Adjustments for items not included in cash flow	6,482	6,441	9,479	10,699	28,398
Financial items	-354	-1,458	516	-2,726	-2,944
<b>Cash flow from operating activities before changes in working capital</b>	<b>-30,264</b>	<b>-28,693</b>	<b>-58,629</b>	<b>-42,381</b>	<b>-92,115</b>
Changes in working capital	45,233	-51,836	40,659	-58,752	-62,002
<b>Cash flow from operating activities</b>	<b>14,969</b>	<b>-80,529</b>	<b>-17,971</b>	<b>-101,133</b>	<b>-154,117</b>
<b>Investing activities</b>					
Investments in intangible assets	-8,856	-7,601	-21,157	-11,913	-27,712
Investments in tangible assets	-104	137	-425	-3,346	-7,486
Change in financial assets	35,000	-41,441	19,300	-41,441	-41,693
<b>Cash flow from investing activities</b>	<b>26,041</b>	<b>-48,906</b>	<b>-2,282</b>	<b>-56,701</b>	<b>-76,891</b>
<b>Cash flow after investing activities</b>	<b>41,010</b>	<b>-129,435</b>	<b>-20,252</b>	<b>-157,834</b>	<b>-231,008</b>
<b>Financing activities</b>					
Raise of short-term debt	-1,305	-	-2,740	-	-
Raise of long-term debt	-	-15,236	-	-16,716	-22,737
Share issue	-	243,167	-	253,968	245,334
Premiums paid for warrants	-	9,968	-	9,968	26,314
Paid up, non-registered share capital	-	-975	-	-	-
<b>Cash flow from financing activities</b>	<b>-1,305</b>	<b>236,923</b>	<b>-2,740</b>	<b>247,220</b>	<b>248,911</b>
<b>Cash flow for the period</b>	<b>39,704</b>	<b>107,488</b>	<b>-22,993</b>	<b>89,386</b>	<b>17,903</b>
Cash and cash equivalents at the beginning of the period	45,189	71,858	107,862	89,959	89,959
Exchange rate differences in cash and cash equivalents	-28	-	-4	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>84,865</b>	<b>179,346</b>	<b>84,865</b>	<b>179,346</b>	<b>107,862</b>

# FINANCIAL STATEMENTS PARENT COMPANY

## PARENT COMPANY INCOME STATEMENT

SEK, thousand	Note	Apr-Jun		Jan-Jun		Jan-Dec
		2020	2019	2020	2019	2019
Net sales	2	15,584	23,861	29,714	46,350	116,758
Capitalized work for own account		8,472	7,278	20,473	11,349	26,350
Other operating income		170	166	1,517	163	3,904
<b>Operating expenses</b>						
Raw material and consumables		-18,103	-26,870	-38,706	-42,621	-109,624
Other external expenses		-9,738	-13,779	-20,857	-21,900	-49,154
Personnel expenses		-27,784	-21,841	-51,764	-38,755	-90,245
Depreciation and amortization		-3,061	-2,712	-6,452	-5,378	-15,580
<b>Operating profit/loss</b>		<b>-34,461</b>	<b>-33,898</b>	<b>-66,075</b>	<b>-50,793</b>	<b>-117,591</b>
<b>Profit from financial items</b>						
Interest income and other financial items	5	796	155	1,985	10,555	9,451
Interest expenses and other financial items		-647	-1,168	-671	-1,981	-2,811
<b>Profit/loss after financial items</b>		<b>-34,312</b>	<b>-34,911</b>	<b>-64,761</b>	<b>-42,219</b>	<b>-110,951</b>
Tax		-	-	-	-	-
<b>Profit/loss for the period 7)</b>		<b>-34,312</b>	<b>-34,911</b>	<b>-64,761</b>	<b>-42,219</b>	<b>-110,951</b>
<b>Earnings per share, SEK</b>						
Before dilution		-0.69	-0.74	-1.31	-0.90	-2.30
After dilution		-0.69	-0.74	-1.31	-0.90	-2.30

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

## PARENT COMPANY BALANCE SHEET

SEK, thousand	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Assets</b>				
Intangible non-current assets	3	78,709	50,279	61,683
Tangible non-current assets	4	15,621	19,183	17,516
Financial assets	5	54,445	54,980	52,626
<b>Total non-current assets</b>		<b>148,774</b>	<b>124,442</b>	<b>131,825</b>
Inventories		49,936	63,227	53,549
Accounts receivable		34,727	34,274	24,626
Other current receivables	6	45,161	16,188	33,232
Short-term investments		15,700	35,000	35,000
Cash and cash equivalents		84,388	178,907	107,657
<b>Total current assets</b>		<b>229,911</b>	<b>327,596</b>	<b>254,063</b>
<b>Total Assets</b>		<b>378,686</b>	<b>452,038</b>	<b>385,888</b>
<b>Equity and liabilities</b>				
Share capital		742	739	740
On-going share issue		-	-	2
Reserve for development costs		71,215	43,053	54,471
Share premium reserve		630,530	612,852	630,530
Retained earnings		-446,946	-275,322	-365,441
<b>Total shareholder's equity</b>		<b>255,541</b>	<b>381,323</b>	<b>320,302</b>
Other provisions		16,259	9,560	14,363
<b>Total provisions</b>		<b>16,259</b>	<b>9,560</b>	<b>14,363</b>
Other non-current liabilities		10,381	-	10,381
<b>Total non-current liabilities</b>		<b>10,381</b>	<b>-</b>	<b>10,381</b>
Advance payments from customers		30,168	17,599	4,387
Accounts payable		16,150	8,633	7,852
Other current liabilities		50,187	34,923	28,603
<b>Total current liabilities</b>		<b>96,505</b>	<b>61,155</b>	<b>40,842</b>
<b>Total equity and liabilities</b>		<b>378,686</b>	<b>452,038</b>	<b>385,888</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Statement of changes in total equity	Restricted equity			Unrestricted equity		Total equity
	Share capital	On-going issue	Reserve for development costs	Premium reserve	Retained earnings	
Opening balance equity 2019-01-01	676	11,582	34,653	347,366	-234,671	159,606
Profit/loss for the period	-	-	-	-	-42,219	-42,219
Capitalization and utilization as a result of the period's depreciation and amortization of development costs	-	-	8,400	-	-8,400	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income/loss</b>	<b>-</b>	<b>-</b>	<b>8,400</b>	<b>-</b>	<b>-50,619</b>	<b>-42,219</b>
<i>Transactions with shareholders</i>						
Share issue	45	-	-	238,388	-	238,433
Premiums paid for warrants	-	-	-	-	9,968	9,968
Exercise of warrants	18	-	-	27,099	-	27,116
Paid up, non-registered share capital	-	-11,582	-	-	-	-11,582
<b>Total transactions with shareholders</b>	<b>63</b>	<b>-11,582</b>	<b>-</b>	<b>265,487</b>	<b>9,968</b>	<b>263,935</b>
<b>Closing balance equity 2019-06-30</b>	<b>739</b>	<b>-</b>	<b>43,053</b>	<b>612,852</b>	<b>-275,322</b>	<b>381,323</b>
<b>Opening balance equity 2020-01-01</b>	<b>740</b>	<b>2</b>	<b>54,471</b>	<b>630,530</b>	<b>-365,441</b>	<b>320,302</b>
Profit/loss for the period 10)	-	-	-	-	-64,761	-64,761
Capitalization and utilization as a result of the period's depreciation and amortization of development costs	-	-	16,744	-	-16,744	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income/loss</b>	<b>-</b>	<b>-</b>	<b>16,744</b>	<b>-</b>	<b>-81,505</b>	<b>-64,761</b>
<i>Transactions with shareholders</i>						
Share issue	2	-2	-	-	-	-
<b>Total transactions with shareholders</b>	<b>2</b>	<b>-2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance equity 2020-06-30</b>	<b>742</b>	<b>-</b>	<b>71,215</b>	<b>630,530</b>	<b>-446,946</b>	<b>255,541</b>

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

**PARENT COMPANY CASH-FLOW STATEMENT CONDENSED**

SEK, thousand	Apr-Jun		Jan-Jun		Jan-Dec
	2020	2019	2020	2019	2019
<b>Operating activities</b>					
Operating profit	-34,461	-33,898	-66,075	-50,794	-117,591
Adjustments for items not included in cash flow	7,344	4,857	9,561	7,523	22,527
Financial items	-232	-1,012	100	-1,825	-1,379
<b>Cash flow from operating activities before changes in working capital</b>	<b>-27,349</b>	<b>-30,054</b>	<b>-56,413</b>	<b>-45,097</b>	<b>-96,443</b>
Changes in working capital	42,684	-51,836	37,245	-58,752	-62,782
<b>Cash flow from operating activities</b>	<b>15,334</b>	<b>-81,890</b>	<b>-19,169</b>	<b>-103,849</b>	<b>-159,225</b>
<b>Investing activities</b>					
Investments in intangible assets	-8,838	-7,601	-21,138	-11,913	-27,713
Investments in tangible assets	-123	137	-443	-3,346	-7,486
Change in financial assets	33,178	-41,880	17,481	-41,880	-41,826
<b>Cash flow from investing activities</b>	<b>24,217</b>	<b>-49,344</b>	<b>-4,100</b>	<b>-57,139</b>	<b>-77,025</b>
<b>Cash flow after investing activities</b>	<b>39,552</b>	<b>-131,235</b>	<b>-23,269</b>	<b>-160,988</b>	<b>-236,250</b>
<b>Financing activities</b>					
Raise of long-term debt	-	-13,875	-	-14,000	-17,700
Share issue	-	243,167	-	253,968	254,779
Premiums paid for warrants	-	9,968	-	9,968	9,968
Paid up, non-registered share capital	-	-975	-	-	6,901
<b>Cash flow from financing activities</b>	<b>-</b>	<b>238,284</b>	<b>-</b>	<b>249,935</b>	<b>253,947</b>
<b>Cash flow for the period</b>	<b>39,552</b>	<b>107,049</b>	<b>-23,269</b>	<b>88,947</b>	<b>17,697</b>
Cash and cash equivalents at the beginning of the period	44,836	71,858	107,657	89,959	89,959
<b>Cash and cash equivalents at the end of the period</b>	<b>84,388</b>	<b>178,907</b>	<b>84,388</b>	<b>178,907</b>	<b>107,657</b>



# THE CLIMEON SHARE

## LARGEST SHAREHOLDERS PER JUNE 30, 2020

Shareholders	Number of shares		Capital, %	Number of votes	Voting rights, %
	Series A	Series B			
Thomas Öström	9,500,000	155,900	19.5	95,155,900	53.6
Joachim Karthäuser	4,690,000	4,300	9.5	46,904,300	26.4
Handelsbanken Hållbar Energi	-	2,048,501	4.1	2,048,501	1.2
Försäkringsbolaget, Avanza Pension	-	1,534,393	3.1	1,534,393	0.9
Olle Bergström	-	1,020,000	2.1	1,020,000	0.6
Swedbank Robur Transition Sweden	-	844,000	1.7	844,000	0.5
Mathias Carnemark	-	711,953	1.4	711,953	0.4
Nordnet Pensionsförsäkringar AB	-	641,825	1.3	641,825	0.4
Per Olofsson	-	580,000	1.2	580,000	0.3
Klas Händel	-	545,316	1.1	545,316	0.3
SEB AB, Luxembourg Branch, W8IMY	-	527,351	1.1	527,351	0.3
Andreas Billström	-	507,959	1.0	507,959	0.3
Skandia Sverige Hållbar	-	492,420	1.0	492,420	0.3
AMF Aktiefond Småbolag	-	459,067	0.9	459,067	0.3
Strand Småbolagsfond	-	413,157	0.8	413,157	0.2
Others	60,000	24,704,537	50.1	25,304,537	14.2
<b>Total</b>	<b>14,250,000</b>	<b>35,190,679</b>	<b>100.0</b>	<b>177,690,679</b>	<b>100.0</b>

## SHARE INFORMATION

The number of shares in Climeon amounts to 49,440,679 with quota value of SEK 0.015, of which 14,250,000 are Class A shares, 10 votes/share, and 35,060,479 are Class B shares, 1 vote/share.

After the end of the quarter, Thomas Öström converted 600,000 Class A shares into Class B shares, after which the total number of Class A shares amounts to 13,650,000 and the number of Class B shares to 35,790,679.

Climeon's B share is listed on Nasdaq First North Premier since October 13, 2017. The share price amounted to SEK 47.16 at the end of the period.

## SHARE PRICE DEVELOPMENT



	Apr-Jun		Jan-Dec
	2020	2019	2019
Total number of issued shares at period end	49,440,679	49,295,179	49,310,479
Average number of shares outstanding	49,440,679	48,258,892	49,295,179
Earnings per share, before dilution, SEK	-0.74	-0.72	-2.30
Earnings per share, after dilution, SEK	-0.74	-0.72	-2.30
Equity per share, SEK	5.07	7.74	6.50

# NOTES

## Note 1 ACCOUNTING PRINCIPLES

This interim report is prepared in accordance with IAS 34 Interim report. The same accounting principles and calculation methods have been used in the interim report as in the latest annual report, with the exception of IFRS 16, which is described below. Climeon prepares consolidated financial statements as of January 1, 2020.

### IFRS 16 LEASE

Since January 1, 2020, IFRS 16 has been applied since Climeon now reports as a group and the exceptions that apply to legal entities no longer apply. The introduction has been made retroactively from January 1, 2019. As of January 1, 2019, rights of use were added to the value of SEK 41.2 million and the corresponding lease liability. Until end of Q2, the profit impact was SEK 0.2 million (0.3) and for the whole of 2019 the profit impact was SEK 0.7 million.

Other than that, there have been no significant effects on the financial reports.

### FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms. A financial asset is derecognized from the balance sheet when the contractual right to the cash flow from the asset ceases, is transferred to a third party or when the company loses control of the asset. A financial liability, or part of a financial liability, is derecognized from the balance sheet when the contractual obligation is fulfilled or otherwise terminated.

Financial assets are classified based on the business model in which the asset is managed and the asset's cash flow character. Cash flow character determines whether the asset's cash flow is contractual, i.e. only consists of repayment of principal amount and interest where the interest consists of compensation for the time value of money and credit risk.

If the financial asset is held in a business model with the goal of collecting contractual cash flows (hold to collect), the asset is reported at amortized cost.

For business models where the purpose is speculation, holdings for trading or where the cash flow character excludes other business models, the assets are reported at fair value through the income statement.

Financial liabilities are valued at fair value through the income statement if they are held for trading or if they are initially identified as liabilities at fair value through the income statement. Other liabilities are valued at amortized cost.

The holding of the shares in Baseload Capital is reported at fair value through the income statement.

Climeon applies the simplified method for calculating expected loan losses. The method means that loss history and other known information about the customer's credit status are used as a basis for calculating historical credit losses. The calculation is then adjusted for changes in current and prospective factors.

### THE FAIR VALUE OF THE FINANCIAL INSTRUMENT

The fair value of financial instruments is determined by various methods that are divided into a hierarchy that is governed by the degree to which input data is observable. The fair value of financial assets and liabilities traded on an active market is determined by reference to the listed market price, level 1 in the hierarchy. The fair value of other financial assets and liabilities is determined according to generally accepted valuation models such as discounting future cash flows and using information derived from current market transactions, level 2 in the hierarchy or by methods based on own assumptions, level 3 in the hierarchy.

The holding of the shares in Baseload Capital is reported as an Investment Entity and is since January 1, 2019, valued at fair value through the income statement. Baseload Capital has prepared a model for assessing fair value that is made quarterly as follows:

- Calculation of the annual cash flow
- The present value is the fair value of the holding

For all financial assets and liabilities that are not continuously valued at fair value, the carrying amount is deemed to be a good approximation of its fair value, unless otherwise specified.

### AMORTIZED COST

Amortized cost refers to the amount to which the asset or liability was initially recognized, less deductions for amortization, additions or deductions for accumulated accrual according to the effective interest method of the initial difference between the received/paid amount and the amount to be paid/received on the due date and with deductions for impairment.

The effective interest rate is the interest rate that, when discounting all future expected cash flows over the expected maturity, results in the initially recognized value of the financial asset or financial liability.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and disposable balances with banks and other credit institutions and other short-term investments that can easily be converted into cash and are subject to insignificant risk of value fluctuations. In order to be classified as cash and cash equivalents, the term may not exceed three months from the date of the acquisition.

**PARENT COMPANY**

The 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.

Shares in Group companies are reported according to the cost method. Acquisition-related costs for group companies that are expensed in the consolidated financial statements are included in the acquisition value of shares in group companies.

The Parent Company reports Group contributions and shareholder contributions in accordance with the statement from the Swedish Financial Reporting Board RFR2. Group contributions are reported as financial statements. In the Parent Company, shareholder contributions are activated as shares and participations. If necessary, impairment testing is carried out of the shareholder contributions paid together with other holdings in the receiving company.

**Note 2 DISTRIBUTION OF NET SALES****THE GROUP AND PARENT COMPANY**

SEK, thousand	Apr-Jun		Jan-Dec
	2020	2019	2019
<b>Revenue type</b>			
Hardware	12,746	23,822	116,598
Consulting and support services	2,838	39	159
<b>Total</b>	<b>15,584</b>	<b>23,861</b>	<b>116,758</b>
<b>Geographic market</b>			
Sweden	15	52	627
Europe	9,761	4,370	38,971
North America	-	-	-
Asia	5,809	19,439	77,160
<b>Total</b>	<b>15,584</b>	<b>23,861</b>	<b>116,758</b>

**Note 3 INTANGIBLE ASSETS**

Intangible assets comprise capitalized expenditure on development SEK 72.3 million (45.3) and patents SEK 6.5 million (5.0). Depreciations during the quarter amounted to SEK 2.0 million (1.8). Accumulated depreciations amounted to SEK 4.1 million (3.6).

**Note 4 TANGIBLE ASSETS**

Tangible assets comprise leasehold improvements SEK 9.5 million (12.6), right-of-use assets according to IFRS 16, SEK 31.2 million (37.9), equipment SEK 1.0 million (1.2), technical equipment SEK 4.4 million (2.9) and systems located at customer premises and where the customers pay for the electricity generated ("As-a-Service") SEK 0.7 million (2.5). Depreciations during the quarter amounted to SEK 1.1 million (0.8). Accumulated depreciations amounted to SEK 2.3 million (1.7).

**Note 5 FINANCIAL ASSETS**

Financial assets amount to SEK 54.4 million (54.5) and consist of shares in the finance company Baseload Capital Sweden AB of SEK 47.7 million (48.1), corresponding to 15.7 (15.7) percent ownership in the company. The shares are reported at fair value through the result report. Revaluation has affected the quarter by SEK -1.1 million (0). Accumulated revaluation amount to SEK +1.9 million (+10.7). The effect on the result is included under Interest income and other financial items. Other financial assets consist of rental deposits SEK 0.1 million (0.0) and personnel loans to SEK 6.3 million (0.0).

**Note 6 PLEDGED ASSETS AND CONTINGENT LIABILITIES**

Pledged assets and contingent liabilities amount to SEK 8.6 millions (0.8) for prepayment guarantees to suppliers and customers.

## KEY NUMBERS

	Apr-Jun		Jan-Jun		Jan-Dec
	2020	2019	2020	2019	2019
Order intake, SEK million	40.9	24.5	56.3	24.5	44.2
Order backlog, SEK million	768.9	800.8	768.9	800.8	729.7
Equity ratio (%)	54.0	77.7	54.0	77.7	75.8
Debt ratio (times)	0.9	0.3	0.9	0.3	0.5
Net debt ratio (times)	-0.2	-0.4	-0.2	-0.4	-0.2
Earnings per share, before dilution, SEK	-0.74	-0.72	-1.38	-2.30	-2.30
Earnings per share, after dilution, SEK	-0.74	-0.72	-1.38	-2.30	-2.30
Equity per share, SEK	5.07	7.73	5.07	7.73	6.46
Cash and cash equivalents and short-term investments	100.6	214.3	100.6	214.3	142.9
Share price at period end, CLIME B, SEK	47.16	87.50	47.16	87.50	68.40

Climeon presents certain financial measures in the interim report that are not defined according to IFRS, so called alternative performance measures. Climeon believes that these measures provide valuable supplemental information to investors and the Company's management as they allow for evaluation of trends and the Company's performance. Since all companies do not calculate financial measures in the same way, they are not always comparable to measures used by other companies. For definitions of the performance measures that Climeon uses, please see below.

## DEFINITIONS

<b>Order intake</b>	Total signed customer orders received during the period.
<b>Order backlog</b>	The value at the end of the period of all received and signed customer orders not invoiced to customer at the end of the period.
<b>Equity ratio</b>	Shareholders' equity as a percentage of total assets.
<b>Debt ratio</b>	Liabilities including deferred tax liabilities and provisions divided by shareholders' equity (times).
<b>Net debt ratio</b>	Interest-bearing net debt including cash and cash equivalents divided by shareholders' equity (times). Negative net debt ratio means that cash and cash equivalents exceed interest-bearing liabilities.
<b>Earnings per share, before dilution</b>	Profit/loss for the period divided by the weighted average number of outstanding shares during the period.
<b>Earnings per share, after dilution</b>	Earnings per share adjusted by the number of outstanding warrants.
<b>Equity per share</b>	Shareholders' equity divided by the number of outstanding shares at end of the period.

# QUARTERLY FIGURES

## CONSOLIDATED INCOME STATEMENTS

SEK, million	2020		2019				
	Q2	Q1	Q4	Q3	Q2	Q1	Full-year
Net sales	15.6	14.1	35.1	35.3	23.9	22.5	116.8
Capitalized work for own account	8.5	12.0	10.3	4.7	7.3	4.1	26.4
Other operating income	0.2	1.3	3.3	0.4	-1.1	1.3	3.9
<b>Operating expenses</b>							
Raw material and consumables	-18.2	-20.6	-38.5	-28.5	-25.5	-17.1	-109.6
Other external expenses	-9.1	-9.9	-14.0	-10.4	-12.0	-6.3	-42.7
Personnel expenses	-28.9	-24.2	-27.5	-24.1	-21.8	-16.9	-90.4
Depreciation and amortization	-4.5	-5.0	-5.3	-8.0	-4.3	-4.3	-21.9
<b>Operating profit/loss</b>	-36.4	-32.2	-36.7	-30.6	-33.7	-16.7	-117.6
Net financial income	-0.2	0.8	-5.3	2.5	-1.5	9.1	4.9
<b>Profit/loss after financial items</b>	-36.6	-31.5	-41.9	-28.0	-35.1	-7.5	-112.7
Tax	0.0	0.0	0.0	0.0	0.0	0.1	0.2
<b>Profit/loss for the period</b>	-36.6	-31.4	-41.9	-28.0	-35.1	-7.5	-112.5
Earnings per share, before dilution, SEK	-0.74	-0.64	-0.78	-0.64	-0.72	-0.16	-2.30
Earnings per share, after dilution, SEK	-0.74	-0.64	-0.78	-0.64	-0.72	-0.16	-2.30

## CONSOLIDATED BALANCE SHEETS

SEK, million	2020		2019				
	Q2	Q1	Q4	Q3	Q2	Q1	Full-year
Intangible non-current assets	78.7	71.8	61.7	53.5	50.3	44.6	61.7
Tangible non-current assets	46.8	50.4	52.8	52.2	57.1	59.4	52.8
Financial assets	54.4	55.5	52.5	54.5	54.5	48.1	52.5
<b>Total non-current assets</b>	<b>179.9</b>	<b>177.6</b>	<b>167.0</b>	<b>160.2</b>	<b>161.9</b>	<b>152.0</b>	<b>167.0</b>
Inventories	49.9	44.4	53.5	47.6	63.2	53.9	53.5
Current receivables	76.0	74.2	57.1	48.7	50.6	31.8	57.1
Short-term investments	15.7	50.7	35.0	35.0	35.0	-	35.0
Cash and cash equivalents	84.9	45.2	107.9	166.8	179.3	71.9	107.9
<b>Total current assets</b>	<b>226.5</b>	<b>214.5</b>	<b>253.5</b>	<b>298.0</b>	<b>328.1</b>	<b>157.6</b>	<b>253.5</b>
<b>Total assets</b>	<b>406.5</b>	<b>392.1</b>	<b>420.5</b>	<b>458.2</b>	<b>490.1</b>	<b>309.6</b>	<b>420.5</b>
Shareholder's equity	250.8	287.2	318.7	351.1	381.0	163.9	318.7
Non-current liabilities and other provisions	59.0	60.5	60.9	48.9	47.9	58.6	60.9
Current liabilities	96.7	44.5	40.9	58.2	61.2	87.1	40.9
<b>Total equity and liabilities</b>	<b>406.5</b>	<b>392.1</b>	<b>420.5</b>	<b>458.2</b>	<b>490.1</b>	<b>309.6</b>	<b>420.5</b>

## CONSOLIDATED CASH FLOW STATEMENTS

SEK, million	2020		2019				Full-year
	Q2	Q1	Q4	Q3	Q2	Q1	
Cash flow from operating activities before changes in working capital	-30.3	-28.4	-29.0	-20.7	-28.7	-13.7	-92.1
Changes in working capital	45.2	-4.6	-17.9	14.7	-51.8	-6.9	-62.0
Cash flow from operating activities	15.0	-32.9	-46.9	-6.1	-80.5	-20.6	-154.1
Investing activities	26.0	-28.3	-14.2	-5.9	-48.9	-7.8	-76.9
Cash flow after investing activities	41.0	-61.3	-61.2	-12.0	-129.4	-28.4	-231.0
Financing activities	-1.3	-1.4	2.3	-0.6	236.9	10.3	248.9
Cash flow for the period	39.7	-62.7	-58.9	-12.6	107.5	-18.1	17.9
Cash and cash equivalents at the beginning of the period	45.2	107.9	166.8	179.3	71.9	90.0	90.0
Exchange rate differences in cash and cash equivalents	-0.0	0.0	-	-	-	-	-
Cash and cash equivalents at the end of the period	84.9	45.2	107.9	166.8	179.3	71.9	107.9



# THIS IS CLIMEON

Climeon is a Swedish product company within energy technology. The company's unique technology for geothermal heat power - Heat Power - makes a large untapped energy resource available and provides sustainable electricity around the clock all year round. Heat Power is a cheap and renewable energy source with the potential of replacing much of the energy that comes from coal, nuclear, oil and gas, today. Climeon aims to become a global leader and the world's number one climate solver. The B share is listed on Nasdaq First North Premier Growth Market. Certified Adviser is FNCA Sweden AB, +46(0)8-528 00 399 [info@fnca.se](mailto:info@fnca.se).

## VISION

Climeon's vision is to become the number one climate solver, empowering a fossil-free world with heat power.

## 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 GOALS

### 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 C3 technology and surrounding systems to give users of the Heat Power system a lower electricity cost (LCOE)

### FINANCIAL GOALS

A long-term gross margin of 50 percent and an EBITDA margin of 35 percent.

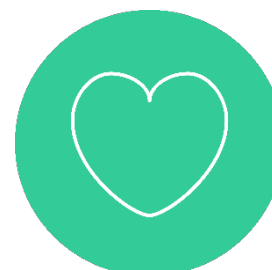
## CORE VALUES



BE AMAZING



ALWAYS DELIVER



DO GOOD



# CLIMEON