

CLAVISTER®

Report for the first quarter 2016

2016-01-01 – 2016-03-31
Clavister Holding AB (publ.)

Örnsköldsvik 11 May 2016, 8:00 am

Turnover increase of +67% year over year

- Revenues for the quarter amounted to 18,0 MSEK (10,7), an increase of +67 % in the first quarter year over year.
- Gross profits amounted to 12,7 MSEK (7,9) for the first quarter and the period's gross margin totaling 71% (74).
- The Profit after tax amounted to -17,3 MSEK (-16,5)
- Cash and cash equivalents at the end of the quarter amounted to 47,3 MSEK (11,0).

Financial figures group MSEK	3 months Jan - March			12 months Jan - Dec
	2016	2015	% (Y/Y)	2015
Net sales	17 952	10 719	67%	64 219
Gross profit	12 683	7 898	61%	44 773
<i>Gross margin</i>	71%	74%		70%
EBIT	-15 911	-15 876	0%	-55 131
Net profit (loss)	-17 341	-16 496	5%	-45 790
Result per share (SEK)	-0,92	-1,01	-8%	-2,63

Strong growth in the traditional sales channel and good development with partners

- **Greater exposure to the Japanese market**- Canon IT Solutions will be exhibiting and demonstrating Clavister solutions and the extended product range in Japan's largest IT trade fair and event for information security, IST, starting on May 11. As previously announced Canon has made an order amounting to 1,8 MSEK in April.
- **Significant levels of activity in Asia** - Clavister is investing significant resources, including in Asia. Agreements have signatories that include Mirait, NetCracker (subsidiary of NEC) in addition to Canon. The interest is evident from diverse sources.
- **Telecom** - We see an increase of interest from a number of major players in the telecom sector, both from operators and from local system integrators working towards telecom and datacenters.
- **Nokia** - after a very high level of activity and progress, we are now part of the product family, the Nokia NetGuard for virtual solutions.
- **First quarter increase of 242% in the domestic market vs. previous year - channel sales almost doubled** - Sales through traditional distribution and the reseller channel in the first quarter 2016 exceeded the corresponding period last year by 97% and in the domestic market, the company sees record growth.

In some cases, rounding off has been applied, which means that tables and calculations do not always tally. Comparisons are made with the corresponding period last year and put in parentheses () unless otherwise stated.

CEO's comments

The Pot is on the boil...

It is with great satisfaction that we see that the sales figures are starting to reflect the impact of the work in 2015 with a focus on sales through our traditional reseller channel, against well-defined markets. Our channel sales most recently doubled in the first quarter (+98%) and total sales increased by 67% compared with the corresponding period in 2015 and with no contribution from Telecom business. It is with great gratification that we note a growth of + 242% compared to last year's first quarter in the domestic market. We have good confidence about continued high growth in channel sales throughout the rest of the year and is also expected Canon agreement, as well as our investment in Telecom gradually contributes to revenues as the year goes ahead.

Focus in Africa

During the first quarter of this year, a major investment began in western and northern Africa. We contracted a number of competent personnel, and signed cooperation agreements with strategic partners to primarily cover the French-speaking African countries. Already in the next quarter, we expect to see sales from the region. Initially, we expect lower revenues in Africa- one should respect the relatively long lead times associated with the entry into any new market- but the potential is very good! We expect to see distinct growth in these areas.

Strategic agreements – Canon

We see that the major strategic agreement we signed in 2015 is starting to pay dividends. Canon is expanding and expediting its focus on Clavister products. We have confirmed that Canon will launch the W20 and W30, our solution to the mid-range segment of medium to large companies, in connection with Japan's largest security exhibition in mid-May. Additional sales of W20 and W30 can significantly increase sales over time by approximately 50%, compared to if Canon sold only the E20 and E80. The launch will also strongly increase the marketing of Clavister in Japan. Canon is one of the major players in Japan in IT security and it is very gratifying to see their extensive involvement. Canon has also officially urged interest in further strengthening cooperation with, amongst other aspects, their extensive investments in the IoT.



Jim Carlsson, CEO Clavister.

CEO's comments

Strategic agreements – Telecom

It is with great excitement that we continue development along with Nokia, which has been considerable over a long period of time. The collaboration between Nokia R & D and Clavister has resulted in Clavister product as part of the product family now, the Nokia NetGuard for virtual solutions. There are and have been extensive efforts to ensure that all parts of the company are ready to support Nokia's organization now as we move towards a commercial launch. Clavister today dedicates about 40% of its development resources on Telecom.

Telecom is not only synonymous with Nokia, our agreement with Artesyn in combination with Clavister's software-based security solutions on Artesyn hardware gives us many advantageous opportunities. Joint work with Artesyn is progressing on both supply capacity and realization of business opportunities with the ambition to see revenues later in the year. There is much that is on the boil in the pots throughout the entire company. Several major players have shown a clear interest in our solutions and technology, and we expect that by the end of 2016 we could see a clear impact on our sales from our collaborations.

Investment in PhenixID - Authentication & Identity Management

One of the most frequent IT crimes today is identity theft. In order to offer our customers a solution to protect against these crimes, we will, during the summer, broaden our offering with solutions for secure login, so-called 2-factor authentication. We have acquired 30% of the Swedish security company, PhenixID. The first solution, which we will launch, works just as BankID, ie by combining a name and password with a one-time code so that we can ensure that the wrong person will not get access to sensitive information. By integrating our existing security offering with authentication, we improve customer satisfaction, security and the potential of our existing offerings.

New board members

At the Annual General Meeting Göran Carstedt and Niclas Ericsson were elected onto the board. Göran has experience from the corporate management from Volvo and Ikea and also as Chairman of the Board of Q-Med and of Stadium. Niclas has served on the boards of several listed companies, including NetEnt AB, and has a significant ownership interest in Clavister. I'm really looking forward to working together with them to come and take advantage of the experience and expertise they represent.

I look forward with confidence to a very positive, eventful and exciting 2016.



From the desk of,
Jim Carlsson, Clavister CEO

Events

Important events during the period (January – March 2016)

Changes in ownership and number of shares in Clavister

(2016-01-21)

Top executives and directors increase their ownership in Clavister in conjunction with the exercise of warrants.

Clavister launches high performance firewall for telecoms networks and extreme capacity demands

(2016-01-21)

Product P80 is customized for Telecom operators and the unique requirements for the protection of 4G / LTE and GRX networks. The firewall also allows secure so called “Mobile Data Offloading” which is used to relieve the costly radio links to more cost-effective WiFi networks.

Clavister and Nokia Networks collaborate in virtual “next generation” security solutions

(2016-01-27)

The partnership will offer protection and manage networks with Clavister Virtual Systems, the next generation of scalable security solutions.

Clavister secures financing for aggressive investments

(2016-02-05)

Clavister has completed a private placement of 21 MSEK at an issue price of 53 SEK per share. The issue corresponds to a dilution of 2%. The new share issue will be used to advance the aggressive investments, among others, a result of the cooperation with Nokia Networks.

Clavister signs cooperation agreement with Defis & Strategies Group for parts of West Africa

(2016-02-17)

The partnership will position Defis & Strategies Group (<http://www.defisetstrategies.com/>) and Clavister at the forefront of the growing African market for products and solutions for high-performance network security on a continent whose IT security market is expected to grow to 2,3 billion USD by the year 2020.

Clavister partners with NEC and NetCracker to develop next-generation virtualized networking solutions

(2016-02-25)

Clavister connects to NEC SDN Partner Space, and includes cooperation to accelerate and secure SDN and NFV migrations intended for service providers in the telecom and mobile operators.

Clavister concludes a strategic partnership with PhenixID for secure logins and identity handling together with the acquisition of 29% of PhenixID

(2016-03-08)

Clavister has signed an agreement on strategic partnership with PhenixID giving an ownership interest of 29% in the company. This allows for a stronger product offering for Clavister e.g. through the so-called 2FA (two factor authentication).

Clavister opens office in North Africa in order to further drive growth in the region

(2016-03-16)

Clavister takes advantage of the continent’s rapidly growing security market and is expanding its operations in the western parts of Africa and open a North African office in Tunisia to provide sales and technical support to its customers and partners throughout the region.

Events

Important events after the period (April 2016)

Clavister IT Solutions continues its penetration of the Japanese IT Security Market with Clavister solutions

(2016-04-01)

Canon IT Solutions ordered 300 units of Clavister Firewall E80 to a value of 1,8 MSEK.

Northern European police authority secures information using Clavister's next generation firewalls

(2016-04-05)

An existing North European authority client displays continued confidence in Clavister and extends its agreement with a deal worth approximately 260 000 EUR.

Canon IT Solutions extends its portfolio with more firewall models from Clavister

(2016-04-21)

Canon announced in a press release dated 20 April 2016, to coincide with the international IT fair, Information Security EXPO in Tokyo, that sales of Clavister Medium Enterprise firewalls W20 and W30 would begin on May 11, 2016.

The AGM elects Göran Carstedt and Niklas Eriksson as new members on the Board of Directors

(2016-04-21)

Göran C, with past experience including that from the corporate management of AB Volvo and Ikea, was elected. Niclas, with experience as a major shareholder and board member of listed companies, including NetEnt AB, was also elected.

Financial Information

Sales and earnings

First quarter sales amounted to 18,0 MSEK (10,7), which is an increase of 67% compared with the first quarter of 2015. Gross profit for the first quarter of 2016 ended at 12,7 MSEK (7,9). Gross margin in the quarter was 71% (74). Operating profit for the period summed to -15,9 MSEK (-15,9). Profit for the period was -17,3 MSEK (-16,5).

Sales

Sales in Europe aggregated to 10,9 MSEK (5,3) in the first quarter, an increase of 106%, where the Nordic countries, Germany and the Benelux countries together increased by 159% while Italy and France are on the increase around 10% year over year.

Sales in China have recovered in the quarter after last year's slowdown and increased by 71%, while others APAC-countries fell by -27% year over year. Japan was one of the markets that really took off in 2015, in which we made some smaller deliveries to the customer Canon IT Solutions in the first quarter, but where now the order size increased in April. The company drives development forward intensely and shows great potential, but it must also be emphasized that the cooperation is associated with quality and precision requirements covering the whole process from delivery time to that of hardware.

The company continued to meet a growing curiosity and a high interest in network security in general but also for our solution offerings, but the sales cycle is lengthy from first contact to signed agreements and subsequently the customer's order.

The underlying basic business model for enterprise has a very strong development and continues to play a significant role in the turnover of the company and has further potential for continued strong growth for a long time to come. Global accounts directed at the Telecom segment have very good prospects, both because of the growth in the segment, but also by the opportunities through so-called OEM-sales where Clavister operates as a subcontractor and adds value to the customers' products under their own brand name. For Global accounts and OEM the increase has been 14% year over year. In summary, sales year over year expanded on all markets and the increase has been particularly significant in the Nordic region with a whole 242%.

Sales per market

TSEK	3 months			12 months
	Jan - March		% (Y/Y)	Jan - Dec
	2016	2015		2015 *
Nordics	5 615	1 643	242%	15 617
EMEA excl. Nordics	5 239	3 643	44%	20 248
America	305	153	99%	1 321
Asia	3 239	1 855	75%	14 278
Global Acc. and OEM	2 785	2 444	14%	9 676
Net Sales	17 183	9 738	76%	61 140
Other	769	981	-22%	3 079
Total Revenue	17 952	10 719	67%	64 219

Financial Information

Impact of foreign exchange

In the first quarter, sales increased by 67% compared with the previous year's first quarter. In comparing the first quarter of this year with the previous year, the currency has had a negative effect of -1,7 percentage points.

Taking into account how the currency has affected China alone, the impact was negative by -7,4 percentage points compared with 2015. This is due to a strong exchange rate of the CNY against the SEK during the first half of 2015, which resulted in impairment of the currency CNY, made by the Chinese central bank.

Gross margin

The gross margin of 71% was lower in the first quarter compared with the first quarter of the previous year (74%). The cause is attributed among other things, to a change in the product mix, where smaller products in the enterprise segment, with a lower gross margin account for a larger proportion of the revenue. Sales in China increased during the quarter by 71% year on year, with a gross margin at a lower level and causing a certain impact on the margin for the group as a whole. Although the renewal of agreements relating to royalty costs, with a higher proportion of fixed than before, hit the short term margin, but will when sales increases provided a direct positive margin improvement.

Operating expenses

The company anticipates the continued need for investments mainly in software development, support and sales. Capitalized work for its own use is therefore expected to increase as the number of new software developers is recruited. The recruitment, of primarily software developers but also to customer support, has been intense during the winter and continued in the spring and the impact has begun to show itself in increased personnel costs +2,4 MSEK or + 14% year on year, corresponding to 19,6 MSEK (17,2). The company has so far received 18 new employees in this new year. The number of employees has increased from 116 to 134, ie 16%. Other external expenses amounted in the first quarter to 8,7 MSEK (7,0) and mainly relate to marketing expenses, sales commissions and purchases of external consultants and legal services.

Investments, capitalization and amortization

Investments in tangible fixed assets have not been made during the period. The company continues to capitalize the allocated time and therefore to invest in software development. This is done both by the existing staff and the extensive recruitment of developers that the company has made. During the quarter, the company has capitalized development costs equivalent to 48% of the company's total cost of development and maintenance. Total capitalized work for the period January to March 2016 is 3,8 MSEK (4,2). The company believes that the decline in capitalized work is attributed to the many new placements in the quarter and the organization effort linked to the change. During the first quarter, depreciation of tangible assets to -0,1 MSEK (-0,2) and amortization of intangible assets, mainly relating to prior capitalization, amounted to -3,9 MSEK (-3,6).

Financial Information

Cash flow

Cash flow during the period January to March 2016 +3,8 MSEK (-0,7). This was comprised of:

- -16,8 MSEK (-16,5) refers to the company's operating profit after financial items of 4,1 MSEK relates to adjustments for depreciation and amortization non-cash, 0,2 MSEK relates to taxes paid and 4,3 MSEK relates to the period change in working capital.

Together it results in a change in cash flow from operating activities, including changes in working capital, totaling -17,3 MSEK (-5,7).

- Cash flow relating to investments and intangible assets amounted to SEK-3,9 MSEK (-4,2).

- Cash flow from financing activities amounted to +24,9 MSEK for the period, of which 26,5 MSEK refers to two new share issues.

Liquidity and financial position

Cash and cash equivalents at end of the period amounted to 47,3 MSEK (11,0).

The Board continually assesses the Group's liquidity and financial position in the short and longer term. The Company's hedging of several major contracts during the previous year including Nokia Networks, Artesyn Embedded Technologies and within the enterprise segment, Canon IT Solutions ensured an enhanced revenue and therefore a gradual reduction in consumption rate of cash. During the first quarter of 2016 two private placements were made to external investors of 26,5 MSEK. In parallel, however, is the increasing customer interest in resource-intensive and entails not only further investment in software developers but will also requires additional jobs both in sales and in the other organization. Overall, in consideration of the above, the Board of Directors believes that the financial position is good.

Further information regarding the new issues made during the first quarter of 2016 under the section "Shares, share capital and ownership structure".

Equity

Shareholders' equity amounted to 96,8 MSEK (52,1) on 2016-03-31. The opening balance of the fourth quarter was 87,8 MSEK. The increase is attributable to new share issues totaling 26,5 MSEK. See the heading Accounting Principles and the Annual Report for 2015, www.clavister.com/investor-relations/financial-documents/.

Disputes and litigation

Clavister AB has received a subpoena from the customer, submitted to Ångermanlands District Court in December 2014. The dispute concerns the interpretation of a contract. The amount claimed is 13,5 MSEK plus interest. The Company has not made any provisions in the balance sheet, but the claimed amount is recorded as a contingent liability. The Company has provided defense and contest the citation in its entirety. Any costs are covered by the company's insurance business. For some time, ongoing talks in which the parties agree to work both for a settlement of the dispute by agreement but also an increased acceleration of the business relationship.

Audit

The First-quarter report has not been audited by the auditors.

Financial Information

Accounting principles

The annual accounts and the consolidated accounts are drawn up in accordance with the Annual Accounts Act (1995: 1554) and the Accounting Standards Board according BFNAR 2012: 1 (K3). The Group's reporting currency is SEK, which is the company's functional currency. The consolidated financial statements are reported in thousands of SEK (TSEK) unless otherwise stated and have been prepared under the going concern provision (going concern).

Dividends

Dividend

The Board decided at the AGM in April 2016 that no dividend is to be paid for fiscal year 2015.

Assumptions

The Board of Directors and company management have made estimates and assumptions that affect the company's results and financial position. The assumptions are continually evaluated and are based on past experience, expectations of future events that are expected to be reasonable under the circumstances. Actual results may differ from these estimates. The areas where estimates and assumptions could result in significant risk of adjustments to the carrying values of the results and financial position in future reporting periods are primarily; estimates of sales and market conditions and the useful life-cycle of the Group's intangible assets, impairment testing of goodwill, valuation of deferred tax assets and accounts receivable.

The Company does not provide any forecasts.

Risks and uncertainties

The company refers to the Annual Report of 2015 and the website <https://www.clavister.com/investor-relations/financial-documents/> where a more extensive summary is made of the risks and uncertainties in the business that could significantly affect the results and share performance. The Company does not believe that during the reporting period material changes to the risks and uncertainties have been made, compared with those featuring in the established annual report. Risks are a natural part of the activities. Clavister works continuously to identify, assess, evaluate and prevent the risks to which the business is exposed. If risks occur, they can affect Clavister's sales, earnings and financial position. Operational risks can be mentioned in brief, where market or operational risks occur such as: competition, product development and technical difficulties, product liability and guarantees, the risks to employees and key personnel leaving, declining economic conditions, political events, intangible assets that are not patented and legal risks are included. With regard to the financial risks, interest rate, credit and liquidity risks as well as tax risks are identified. Regarding currency risk, all sales are either in SEK, USD and EUR and are regulated in the agreement with the customer. EUR currency dominates, followed by Swedish kronor. Currency fluctuations both in terms of supplier payments and customer payments can create losses or gains and do impact on the financial position.

The company in China invoices and bookkeeps in the Chinese currency CNY (Yuan). In China the CNY currency increased steeply against SEK during 2015, after which the depreciation of the currency, adopted by the Chinese central bank in mid-August the result of the Group was negatively affected. Since trade and purchase of products in the Clavister China Company for the most part take place locally and in CNY, the exchange rate impact on earnings is limited, but occurs in regard to the earnings of the Group.

Financial Information

Hedging occurs by offsetting receipts and payments with the same currency. In terms of the overall distribution between different currencies, sales in EUR accounts for around half of group sales, and for the remaining portion followed by SEK, CNY and USD with a third each. The costs are predominantly in SEK to around two thirds, and the remainder is distributed between the USD, EUR and CNY.

Co-workers

The number of employees up to 2016-03-31 amounted to 134 (116) of which 33 (31) are in Clavister China. The increase in personnel was 16%. The parent company Clavister Holding AB, with limited operations, has one employee employed. Employees are the company's most important asset and the strategy is to continue to create a good and stimulating work environment. Through the opening of another office in Umeå in November 2015 the company wants both to attract new employees, but also retaining employees today commuted from Umeå to Örnsköldsvik. Good working environment and stimulating and challenging work along with various support from the company to maintain good health, are crucial factors in order to continue to successfully attract, recruit and retain current employees.



Financial Information Group

Income statement (TSEK)	3 months		12 months
	Jan - March	Jan - March	Jan - Dec
	2016	2015	2015 *
Net sales	17 952	10 719	64 219
COGS	-5 269	-2 821	-19 446
Gross profit	12 683	7 898	44 773
Gross margin, %	71%	74%	70%
Cap. Dev. Expenses	3 795	4 246	17 716
Staff costs	-19 627	-17 239	-71 232
Other external costs	-8 695	-6 961	-31 056
Depreciation and impairment loss	-120	-190	-701
Amortization and impairment loss	-3 947	-3 630	-14 631
EBIT	-15 911	-15 876	-55 131
Financial items	-1 399	-608	-3 605
Result after financial items	-17 310	-16 484	-58 736
Taxes	-31	-12	12 946
Net profit - loss	-17 341	-16 496	-45 790
<i>Average number of shares</i>	<i>18 861 783</i>	<i>16 321 646</i>	<i>17 429 802</i>
<i>Average number of shares (after dilutive effect)</i>	<i>19 876 700</i>	<i>18 315 362</i>	<i>18 444 719</i>
<i>Result per share, SEK</i>	<i>-0,92</i>	<i>-1,01</i>	<i>-2,63</i>
<i>Result per share (after dilutive effect), SEK</i>	<i>-0,87</i>	<i>-0,90</i>	<i>-2,48</i>
Balance sheet (TSEK)	2016-03-31	2015-03-31	2015-12-31 *
Intangible assets	34 913	32 388	35 068
Tangible assets	1 415	2 232	1 565
Financial assets	49 917	37 911	49 815
Inventories	7 530	5 876	5 593
Current receivables	6 112	5 222	6 043
Cash and bank balances	47 279	10 977	43 527
Total assets	147 167	94 606	141 611
Equity	96 766	52 060	87 847
Long-term liabilities	18 740	9 688	18 057
Current liabilities	31 662	32 858	35 708
Equity and liabilities	147 167	94 606	141 611
Pledged assets	30 313	5 095	42 320
Contingent liabilities	13 470	13 470	13 470

* Comparison figures are according with the adopted Annual Report 2015

Financial Information Group

Cash flow analysis (TSEK)	3 months	3 months	12 months *
	Jan - March 2016	Jan - March 2015	Jan - Dec 2015
Cash, beginning of period	43 527	11 655	11 655
Profit (loss) after financial items	-16 802	-16 484	-58 737
Adjustments for non-cash items, etc.	4 067	3 820	15 999
Paid taxes	-195	-167	-471
Cash flow from operating activities before working capital changes	-12 930	-12 831	-43 209
Change in W/C	-4 320	7 099	11 303
Cash flow from operating activities	-17 250	-5 732	-31 906
Cash flow from investing activities	-3 883	-4 246	-17 286
Cash flow from financing activities	24 885	9 300	81 064
Cash flow	3 752	-678	31 872
Cash, end of period	47 279	10 977	43 527

Equity (TSEK)	3 months	12 months
	Jan - March 2016	Jan - Dec 2015
Equity, beginning of period	87 846	67 830
Cash issue	26 475	0
Non-cash issue	0	0
Issue expenses	-61	0
Non-registered issue	0	0
Share-based compensation	0	0
Translation difference	-152	726
Result for the period	-17 341	-16 496
Equity, end of period	96 766	52 060

* Comparative figures are according to the adopted Annual report 2015

Financial Information

Parent Company

Income statement (TSEK)	3 months		12 months
	Jan - March		Jan - Dec
	2016	2015	2015 *
Net sales	1 500	420	3 400
Staff costs	-241	-239	-951
Other external costs	-527	-263	-1 310
EBIT	732	-81	1 139
Financial items	-162	-144	-583
Result after financial items	570	-225	556
Taxes	0	0	10
Net result	570	-225	566

Balance sheet (TSEK)	2016-03-31	2015-03-31	2015-12-31 *
Financial assets	313 632	259 254	299 247
Current receivables	2	2	1
Cash and bank balances	36 884	1 601	21 515
Total assets	350 518	260 857	320 764
Equity	340 502	251 627	311 008
Provisions	268	0	268
Long-term liabilities	8 942	8 348	8 780
Current liabilities	806	881	708
Equity and liabilities	350 518	260 857	320 764
Pledged assets	350 508	0	320 751
Contingent liabilities	17 349	0	18 781

* Comparative figures are according to the adopted Annual report 2015

Financial Information

Parent Company

Equity (TSEK)	3 months		12 months
	Jan - March		Jan - Dec
	2016	2015	2015
Equity, beginning of period	311 008	250 452	250 452
Cash issue	26 475	0	54 086
Non-cash issue	2 510	0	5 923
Issue expenses	-61	0	-400
Non-registered issue	0	0	380
Share-based compensation	0	1 400	0
Result for the period	570	-225	566
Equity, end of period	340 502	251 627	311 008



Shares, Share Capital and Ownership

Share capital

The company's share capital amounts to 1 918 560:80 SEK

Shareholders and shares

Clavister Holding share is listed on Nasdaq First North. There is only one type of share. Each share represents one vote at the General Meeting. The number of shareholders has increased to 6 294 owners 2016-03-31 as of 6 007 owners 2015-12-31. On this date, the number of registered shares was 19,185,608 according to the Swedish Companies Registration Office (Bolagsverket).

Shareholders	Number of shares	% of total
Försäkringsaktiebolaget, Avanza Pension	2 912 528	15,2%
Nordnet Pensionsförsäkring AB	1 013 370	5,3%
Swedbank Robur	954 865	5,0%
Banque Öhman S.A	859 466	4,5%
Swiss Life AG	849 750	4,4%
Danica Pension	608 337	3,2%
AMF Aktiefond Småbolag	403 000	2,1%
Prioritet Finans	400 000	2,1%
SEB Stock - ISK ACC for Sweden	400 000	2,1%
Handelsbanken Liv	357 092	1,9%
Övriga	10 427 200	54,3%
Total registered shares	19 185 608	100,0%

Shares, Share Capital and Ownership

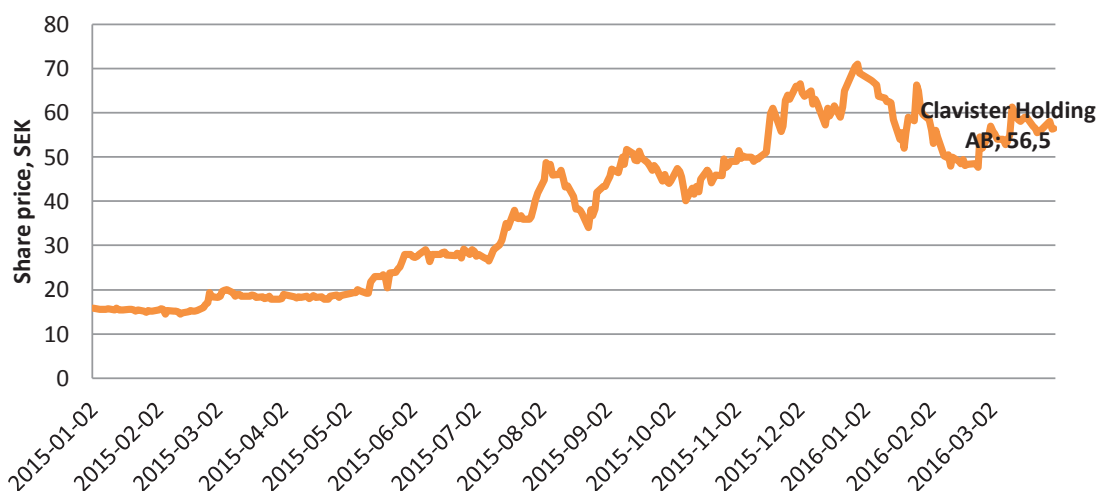
Events	Number	Date
OB number of shares	18 537 958	2016-01-01
New share issue due to warrants, prg 2015-12-31	147 650	2016-01-25
New Shares issue	400 000	2016-02-16
New Shares issue *	100 000	2016-03-14
CB number of shares	19 185 608	2016-05-03
Forthcoming share issue due to acquisition of PhenixID *	300 000	
Forthcoming share issue due to acquisition of PhenixID *	30 000	
Warrants to be subscribed in 2017 warrants v kommande	173 250	
Warrants to be subscribed in 2017 convertible debentures	175 000	
Convertible debentures	666 667	
Number of shares after full dilution	20 530 525	

*) These issues to a total of 430 000 shares are part of the acquisition of approximately 30% of PhenixID. PhenixID will be allocated shares in the Clavister Holding AB and PhenixID will subsequently assign shares to Clavister Holding AB.

Share price performance

(Period 2015-01-02 – 2016-03-31)

Clavister Holding AB



The highest closing value during the year was reached on 29 December when the closing price was 71 SEK and the lowest closing price noted at 14,50 on February 12, 2015. As of the date of trading 2016-03-31 share price was 56,50 SEK and market capitalization (Mkt Cap) amounted to 1 083 986 TSEK.

Shares, Share Capital and Ownership

Share-based warrants

Warrants

There are two current warrant programs aimed at the board of directors and key employees of the company. Pricing is based on the Black & Scholes option pricing model. Holders of warrants shall be entitled to subscribe individual warrants for one new share in the company. The number of warrants issued is 348,250.

Warrants	Number of issued	Exercised	Open	Subscription price, SEK
Warrants 2014 - 2016-12-31	173 250		173 250	30
Warrants 2015 - 2017-12-31	175 000		175 000	30
	348 250	0	348 250	

Mandate for warrants 2016-2019

The Annual General Meeting of Clavister Holding AB, which was held on 21 April 2016 resolved to issue a maximum of 960,000 warrants to the wholly-owned subsidiary, Clavister AB, with the right and obligation of Clavister AB, within the framework of stock option programs, reassign the warrants issued to employees and Board members. The dilution will not exceed 5%. Final date for subscription of shares 2019-06-30.

Reasons for the incentive program

Clavister considers it positive that well-balanced programs of warrants are offered targeted towards key persons, employees and executives of the company. The dispensation is based on consideration, either in the form of a personal investment and/or in the form of achievement. Furthermore, the main shareholders decided that it is beneficial for the company and its shareholders that the board members have a financial interest in the company equivalent to the shareholders.

Convertible Debentures

Convertible debentures (10 MSEK, STIBOR 90)	Number of issued	Subscription price, SEK
Norrlandsfonden 2017-09-30	666 667	15

The convertible debentures such as Norrlandsfonden holds, is exhibited at Clavister Holding AB, since the parties have agreed on the conversion by setting off Clavister AB from Clavister Holding AB.



The Company

Background

Clavister, is a Swedish company that develops, produces and sells network security solutions for telecom and enterprise segment. The company was founded in 1997 and has its registered office in Örnköldsvik. Clavister's solutions are based on proprietary, innovative software with a very powerful performance and high quality.

Thanks to the high degree of proprietary software, not only exceptionally good performance is achieved, but also the products are considered very secure, especially against the so-called "backdoors" that the media and whistle blower believes are of most competitors. Proprietary software will also provide a very good gross margins and competitiveness, especially in the business arrangement where licensing is used.

Clavister started as a consulting company in Örnköldsvik and initially conducted custom software development to the defense industry and the public sector. Around the turn of the millennium the company ran a number of Internet-based development projects which eventually laid the foundation for what later became Clavister security products. During the first years as a product company Clavister gradually built up a commercial bundling of network products aimed at small and medium-sized enterprises. Launched in 2002, Clavister Firewall 8.0 has a unique technical architecture and which at the time was the fastest product of its kind on the market. Today the company offers a broad product portfolio and comprehensive technical services with specialized expertise packaged to meet customer needs.

Current position

Systems Security and Network Security in particular, are areas that are greatly increasing worldwide. The difficult balance between personal integrity, efficiency, flexibility and security are just a few aspects that make the area highly complex. In a world of constant technological development and where methods of communication constantly change, it requires ever more advanced and powerful network security solutions that do not sacrifice effectiveness and safety but still safeguard privacy.

Thanks to technical collaboration with some of the biggest players in the Telecom Industry, Clavister gained a unique insight into the needs of both the short and the long term and is able to adapt the products for this particular area. This has subsequently resulted in agreements and strong business partnerships with suppliers such as Nokia Networks and Artesyn Embedded Technologies. The combination of the exponential increase in data traffic in Telecom networks, well-adapted technologies and strong partnerships with leading players, is a factor for an exceptionally good foundation for growth.

Taking an even longer term perspective, where IoT (Internet of Things) and fifth generation mobile networks (5G) rolled out, highlighting the potential for an even higher level where Clavister can be considered to be well positioned.

Clavister is strongly equipped for the Enterprise segment with a well-designed and attractive product portfolio, large existing customer base and an attractive business model.

Overall company strategy

Clavister's strategy is to create value for its customers, shareholders, employees and other stakeholders by constantly being on the cutting edge in the network security area. This creates business success in the prioritized segments of medium Enterprises as well as in the Telecom area.

Clavister has a good reputation in network security, but is still a small player among giants. The technical competence and strong proprietary software enabling conditions for Clavister to, inter alia, license the software and create strategic alliances with much larger partners. Clavister has had a strategy of growth through partnerships and in recent years has signed strategic agreements with, for example, Nokia Networks as Canon IT Solutions.

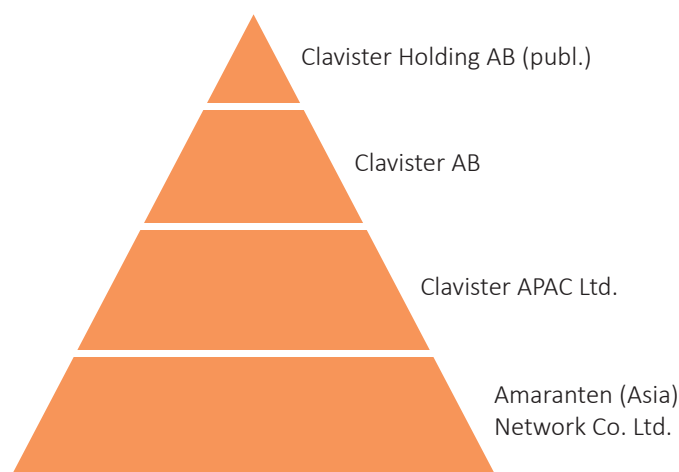
The Company

The Group

The group comprises four companies with Clavister Holding AB as the parent company. The Group has a total of 134 individual employees. The Clavister Holding AB carried out a limited part of the Group's operations such as management of company shares and activities directed toward investors. The subsidiary Clavister AB takes the absolute majority of the Group's operations such as sales, production and software development. The company is also the employees and agreements with its customers, partners and suppliers.

Clavister APAC Ltd. in Hong Kong currently has no employees, while the number of employees in the company Amaranten (Asia) Network Co., Ltd. changing its name to Clavister China Ltd. amounts to 33 individual employees. Business is conducted in six different cities; Beijing, Xi'an, Zhengzhou, Shanghai, Chengdu and Guangzhou.

Clavister Holding AB (publ.) and Clavister AB are headquartered in Örnskoldsvik where product management, product and software development, finance, administration, logistics, warehousing and support are established. The main sales office is located in Stockholm. Since autumn 2015 the company also has operated an office in Umeå with employees in software development and customer support.



Clavister Group with the parent company Clavister Holding AB and 100% owned subsidiaries. Amaranten (Asia) Network Co. Ltd. is being renamed to Clavister China Ltd.

Associate companies

Clavister Holding AB made a LOI in March 2016 to acquire an equity stake of just over 30% in (www.phenixid.se). The transaction is expected to be registered during May with the Swedish Companies Registration Office (Bolagsverket). In addition, a cooperation agreement was signed between the companies in order to further enhance the product offering on identity management, which in short means that the right person / thing gets access to the application / service (2FA). Through the development of IoT (Internet of Things) expected needs and requirements to ensure the correct identity will increase.

Calendar

Quarterly Report

April – June 2016; August 30, 2016

Örnsköldsvik 11th of May, 2016

Clavister Holding AB (publ.)

Board



Contact information

Clavister Holding AB

Organisation nummer: 556917-6612

Sjögatan 6 J
SE-891 60 Örnsköldsvik
Sweden

Telephone: +46 (0)660 29 92 00

E-mail: finance@clavister.com

www.clavister.com

CEO

Jim Carlsson

Investor relations

Peter Dahlander

Telephone: +46 (0)73 679 67 40

E-mail: peter.dahlander@clavister.com

Head of Marketing

Nikolas Georgii

Telephone: +46 (0)73 311 70 20

E-mail: nikolas.georgii@clavister.com

The Stock

Short name: CLAV

ISIN-code: SE0005308558

Certified Advisor

Remium Nordic AB

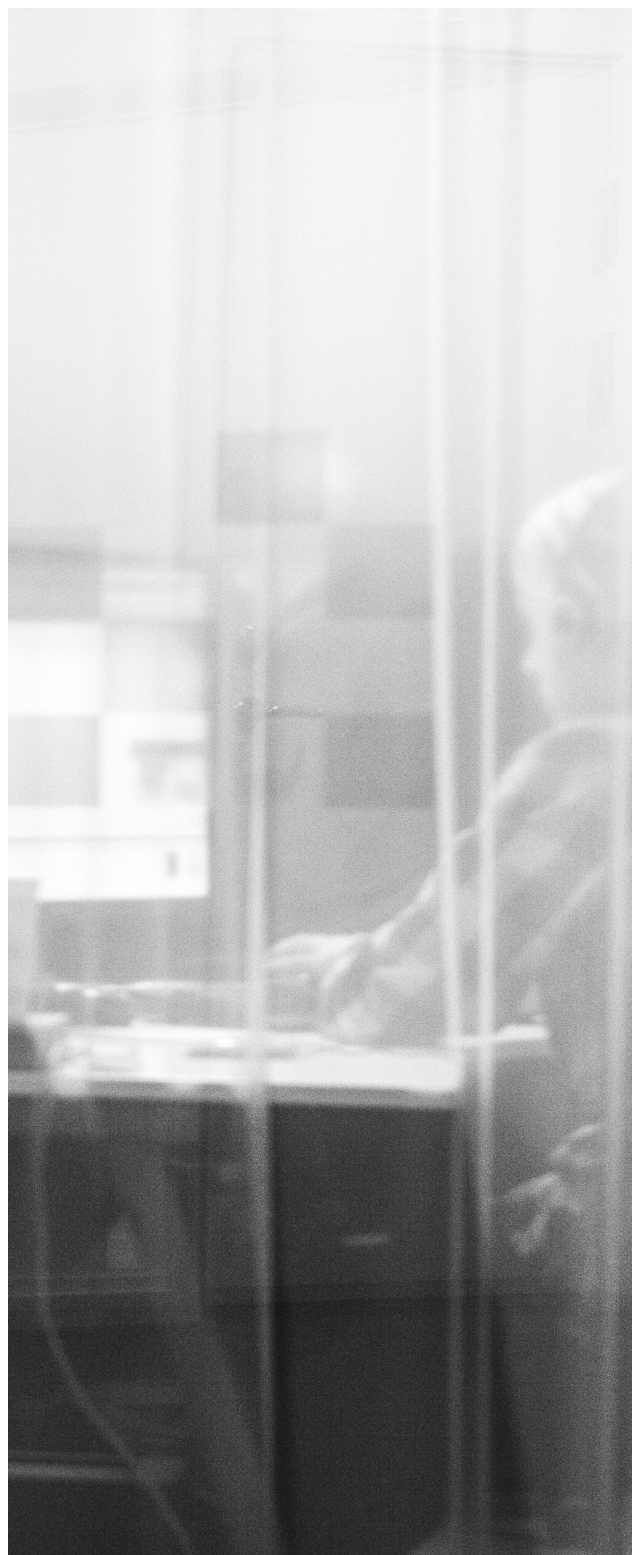
Telephone: +46 (8) 454 32 00

E-mail: info@remium.com

www.remium.se

Photographer

Cornelia Edblad





CLAVISTER®
WE ARE NETWORK SECURITY

Clavister
Sjögatan 6 J
SE-891 60 Örnsköldsvik

www.clavister.com