

The Clavister logo is rendered in a bold, white, sans-serif typeface. The letters are closely spaced, and the 'C' and 'V' feature distinctive notches. A registered trademark symbol (®) is positioned at the top right of the final 'r'.

# CLAVISTER®

CONNECT • PROTECT

*Interim Report*

*Q1 2017*

# Agenda

- Report highlights
- Financial update
- Business update
- Industry drivers
- Telecom update
- Future outlook
- QnA

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- Commercial orders from Nokia
- Trial order for evaluation purposes by another tier-one operator
- Launch of Clavister Endpoint Security Client
- Strong interest in new product verticals
- Cooperation with Aptilo regarding IoT and WiFi
- New President and CEO March 6th



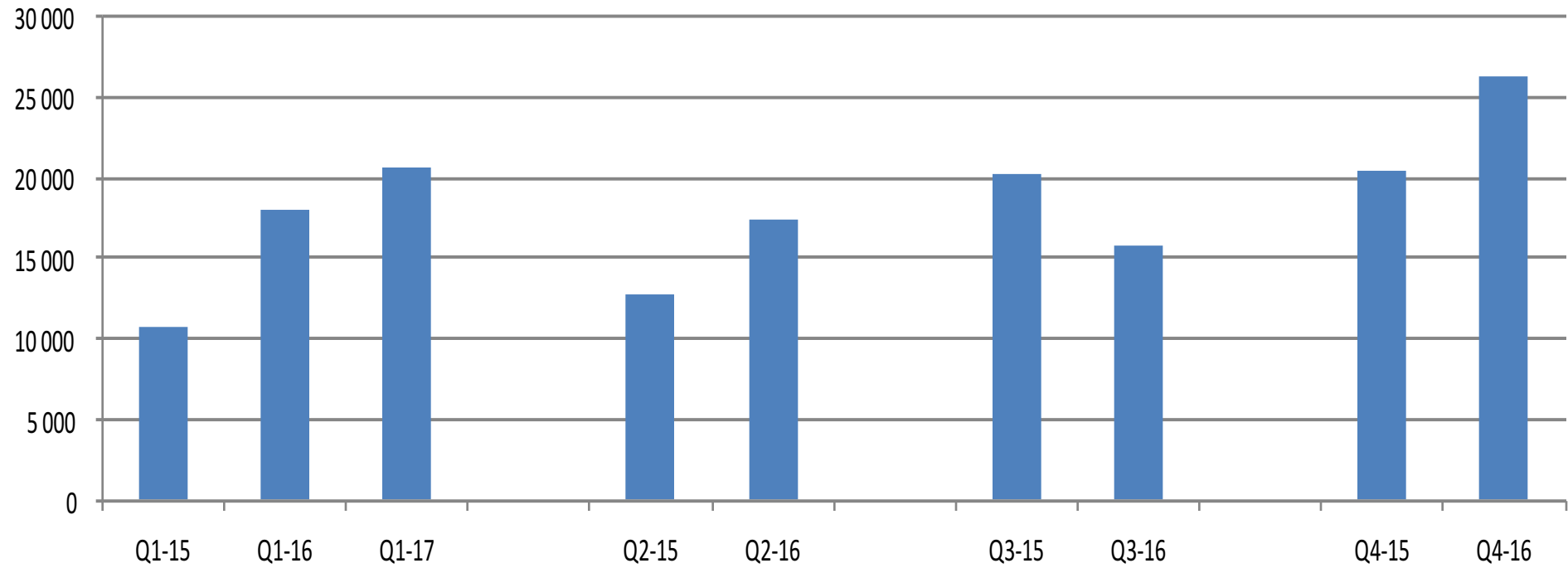
- Revenues 20,6 (18,0) MSEK, an increase of 14,6%
- Gross profit 16,6 (12,7) MSEK, an increase of 30,6%
- Gross margin 80,5 (70,7) %
- Net profit -15,2 (-17,2) MSEK
- Cash at the end of the period 59,3 (47,3) MSEK \*)
- Earnings per share -0,67 (-0,91) SEK



\*) 75,4 MSEK including own shares valued at 16,1 MSEK at end of period

|                                     | Jan - March | Jan - March | Jan - Dec   |
|-------------------------------------|-------------|-------------|-------------|
| <b>Summary in figures (TSEK)</b>    | <b>2017</b> | <b>2016</b> | <b>2016</b> |
| Operating revenues                  | 20 579      | 17 952      | 78 117      |
| Gross profit                        | 16 575      | 12 683      | 53 467      |
| <i>Gross margin</i>                 | <i>81%</i>  | <i>71%</i>  | <i>68%</i>  |
| Operating expenses                  | -34 854     | -28 426     | -125 976    |
| Operating profit                    | -18 279     | -15 743     | -72 509     |
| <i>Operating margin</i>             | <i>-89%</i> | <i>-88%</i> | <i>-93%</i> |
| Cash flow from operating activities | -17 660     | -17 338     | -52 395     |
| Cash flow for the period            | -16 058     | 3 752       | 31 784      |
| Cash, end of period                 | 59 253      | 47 279      | 75 311      |

Revenue per Q (TSEK)



- Partnership with Nokia is materializing
- Significant potential in Japan
  - ✓ NTT-BP continue roll out of WiFi network
  - ✓ Canon ITS holds significant potential
- Promising development in Africa
- Focus on key markets going forward
- Cross-sale opportunities

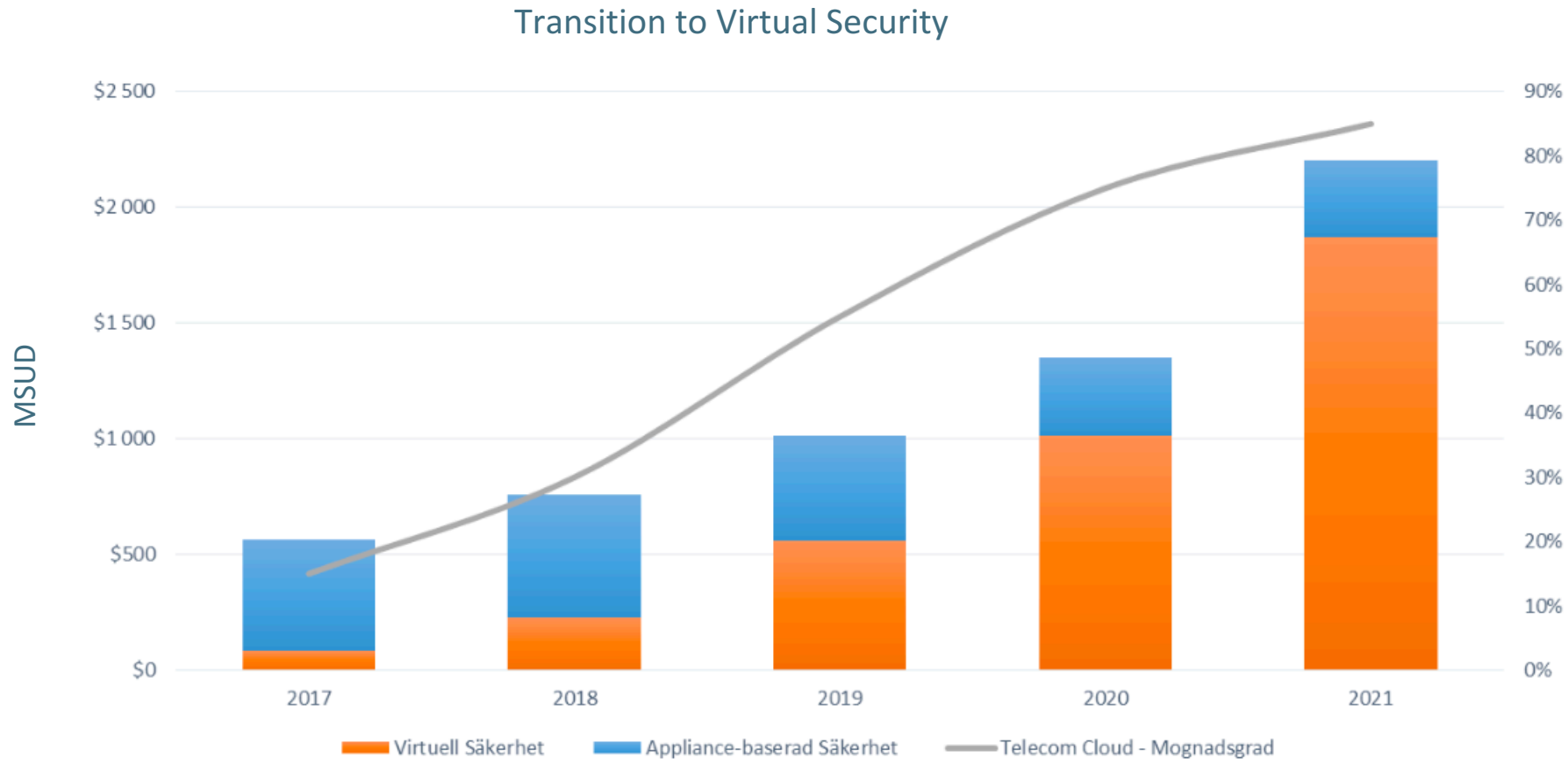


- The General Data Protection Act
- New EU directive in force as of May 25, 2018
- Replaces “PuL”
- Mandatory
- Sanctions up to 4% of group T-O, max 20M Euro





- **Ransomware attack**
  - **Estimated 1,3 Million infected computers, awoken on some 200,000 machines around the world.**
  - **Demand for 300 Euro (in BitCoin) or loss of all data**
  - **Clavister NGF and EndPoint Client successfully protected our clients**



*"By 2020, 80% of all investments in mobile networks will be based on virtual infrastructure and virtualized technology..."* (Market Research Reports and SNS Research)

- “Pay as you go”
- Based on network throughput
- Base function plus options
- Support based on accumulated license
- Potential for additional solutions

Product License model

|   | Product                      | Price (Euro/Gbps) |
|---|------------------------------|-------------------|
| 1 | Base Firewalling (Mandatory) | X                 |
| 2 | IPSec                        | Y                 |
| 3 | Advanced Routing             | Z                 |
| 4 | Carrier                      | V                 |
| 5 | CG-NAT                       | T                 |





- Targeting few, selected markets
- Focus on specific verticals
- Careful selection of business opportunities
- Large, established partners & distributors
- Sales organization



- Significant potential within existing agreements and partnerships
- Partnership with Nokia materializing
- Increased addressable market through IAM & EPS
- Focused market efforts
- Increasing demand for virtualized security
- Organizational and strategic adjustments to drive top-line growth
- Communication via Press Releases and News Flashes



# Q&A