

CLAVISTER®

Report for the second quarter 2015

Clavister Holding (publ.)

Örnsköldsvik the 27th of August, 2015

Moderate sales - increased gross margins - continued investments in R&D

- Second quarter revenues summed up to 12,8 MSEK (13,0).
- Gross profit improved to 9,3 MSEK (9,2). Gross margin increased by 1,5 % points to 72,3% (70,8%).
- Net profit after tax during the second quarter summed to -17,8 MSEK (-13,0).
- Cash and cash equivalents at end of the period 6,4 MSEK (34,3).

Financial key figures (group)

MSEK	3 months			6 months		
	April – June			Jan - June		
	2015	2014	% (Y/Y)	2015	2014	% (Y/Y)
Net sales	12 846	13 016	-1%	23 565	24 001	-2%
Gross profit	9 291	9 215	1%	17 189	16 828	2%
Gross margin	72%	71%		73%	70%	
EBIT	-16 197	-12 601	-29%	-32 073	-25 741	-25%
Net profit (loss)	-17 814	-12 955	-38%	-34 310	-25 780	-33%
Result per share (SEK)	-1,09	-0,85	-8%	-2,10	-1,60	-8%

Game-changers for Clavister

- In June Clavister signed a strategic partnership with a global world leader in telecommunications.
- Clavister announced a co-operation agreement with Artesyn, which will strengthen the possibilities of market shares in telecommunications, but also in other market verticals.
- In August Clavister signed a strategic order for three years with Regus for 1,9 MEUR with further revenue opportunities for additional orders.
- In August Clavister completed a new share issue of 30 MSEK. Warrants maturing in 2015 are expected to generate gross 36 MSEK at redemption.
- Ongoing and future partnerships provide a much larger addressable market than originally estimated. A significant increase of commercial prospects than previously is noted.
- The Company will apply for listing on NASDAQ OMX Stockholm in 2016.

In some cases, has been rounding off, 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 comments



Jim Carlsson, VD Clavister.

Key strategic businesses - During spring and summer, we have closed a number of important and strategically important businesses. We have noticed that the implemented change of the Company's "Go-To-Market" strategy has now begun to make impact on our business discussions, something that we worked for a long time. Investments we made on various types of so-called OEM agreements with major international actors, including the telecom sector gives us greater business potential than we had dared hope for. We see this as a clear confirmation that the Company's strategy is correct which is very positive for Clavister's future, but it puts a strain on the Company's liquidity. To capitalize on these opportunities, we will need to increase the investments in both staff and technical infrastructure. If we look at sales from a geographical perspective, we made a real pickup in the Nordic region and the rest of Europe by 38% year over year, in the second quarter. For the full year, the increase is 16%. We do still have a challenge in the Chinese market. The implementation of the Brazilian project was lagging behind. Reference installations are finished and we are waiting for the project to begin to be rolled out. This has affected our revenues for the second quarter.

Strengthened funding ... application for a new list NASDAQ OMX Stockholm - In August the Company completed a private placement of 30 MSEK at an issue price of 35 SEK per share. Together with the second tranche of the loan agreement with Harbert and the warrants that will expire on 2015-12-31, these give us a stable platform. The Board has also taken a decision to apply for a change of list to NASDAQ OMX Stockholm in 2016. This is a natural step in our development where we better will be able to attract the interest of Clavister from the capital market, partners and end customers.

Accelerated Recruitment - We continue the recruitment of staff in accordance with the overall growth strategy and the demands on the organization. Based on a greater business potential and strategic business discussions, we also make a review of our plans and how they can be accelerated further.



CEO comments



Clavister opens new office in Umeå - As part of our continued expansion; we have decided to open a new office in central Umeå. The proximity to the University of Umeå makes us well positioned to recruit the best technical expertise to the Company. This is the key, if we want to maximize our business opportunities and continue to deliver the security solutions that the market demands, both now and in the future.

Continued strong interest in our products and solutions - I feel like I'm repeating myself every quarter, but the fact remains, IT security not only continues to be a hot topic, it escalates sharply in many areas. It is obviously a positive thing that Clavister's products and technologies address this area and also permeate our interactions with both existing and potential customers, partners and investors.

I hope I manage to convey the optimism I feel about the future of the company.

Behind the keyboard,
Jim Carlsson, CEO Clavister





Market, Contracts and Business

Success, Synergies and Potential within the Telecommunications Market

Background

For a long time, as a vital part of the Company's strategy, Clavister has been active within the market for telecommunication security and more specifically within the mobile telephony market. This market segment is judged to be of great interest both by the Company and by external analysts, given the combination of strong growth, high data volumes and an explicit need for network security solutions. Business within the segment is structural and strategic in nature, being characterized by long lead-times and comprehensive validation and testing, but has in return, a high volume potential with large cash flow generation and high margins over a long time period. Within the framework of mobile telephony networking, there are several well defined security functions where Clavister is today well equipped to be able to offer competitive solutions. Amongst these functions are, for example, "LTE Security Gateways" (for secure communications between 4G base stations and a mobile network), "Gi/SGi Firewalls" (for secure connection of a mobile network to the public Internet), as well as "GRX Firewalls" (for secure communication between operators). A clear trend is "virtualization" or "cloudification" of as many of the functions as possible in order to reduce the need for expensive and dedicated hardware. SDN (Software Defined Networking) and NFV (Network Function Virtualization) are two important industry concepts which have lately attracted great attention and which give operators a greater possibility to be able to break free from a dependence on today's dominant hardware suppliers. In these areas, Clavister has a strong competitive advantage as a software Company which can already deliver virtualized security.

Business Successes

During the first half of 2015, the Company's strategy has borne fruit in the form of three strategic contracts with significant players within the telecommunications segment. A contract has been signed with a business unit of a global defense Company that has 100,000 employees. The business unit builds top secret LTE/4G networks used in national security and has chosen Clavister as a supplier for LTE Security Gateways. The second signed contract is with one of the world's largest suppliers of equipment and services for mobile telephony and that has security as a strategic investment. The third contract has been signed with Artesyn Embedded Technologies, an American Company with over 20,000 employees that offers solutions to both the telecommunications and defense industries. Artesyn has selected Clavister as a supplier of security software in the security offerings that they market. All three contracts have been under negotiation since early 2014, which once again highlights the long sell-cycles that characterize this type of business. During the negotiation period, Clavister's technology has been evaluated and comprehensive testing has been performed with consistently positive results. In the beginning, and within the framework of the contracts, this business will focus on the delivery of LTE Security Gateways, which is the part of the market which is judged to have the greatest growth potential during the coming years and where Clavister has come furthest in its technology development. However, the contracts are not limited to LTE Security and the partners have the ambition to grow in other area where Clavister's technology is applicable. Apart from these three concluded contracts, Clavister continues to negotiate with other industry players of similar stature.



Market, Contracts and Business

LTE Security Gateway

The market for LTE infrastructure is expected to grow from 31 billion US dollars in 2015 to around 93 billion US dollars in 2020 (source: Infonetics 2014). In our judgement, the investment in LTE Security Gateways will make up a small part of this, around 1% in 2015, with the expectation that it will grow to 3% in 2020. The total, aggregated value of the market for LTE Security Gateways during the period 2015 to 2020 is expected to reach in excess of 8 billion US dollars. The three industry players with which Clavister have signed contracts during the first half of 2015, together have a significant share of the LTE market and the intention and objective is that Clavister's technology will make up the dominant proportion of the LTE Security Gateways they deliver. The principal competitors in this area are the American Company Juniper Networks as well as the Israeli Company CheckPoint. Weighty technical as well as geopolitical reasons, suggest that Clavister has excellent possibilities of achieving a substantial volume of business, both from the contracts already signed as well as those still under negotiation.

The commercial product launch is planned to begin during the end of 2015 with a number of well know mobile operators in Europe and Asia as the first customers. Significant volumes are expected to be reached within 12 to 18 months following the launch.

Gi/SGi Firewalls

As a rule, communication between a mobile network and the Internet passes one or more so called Gi/SGi Firewalls, whose primary function is to protect the mobile network from attacks coming from the public Internet. Most mobile networks are today already equipped with Gi/SGi Firewalls, which means the area is a mature market which shouldn't normally allow much room for a smaller player like Clavister to take market share. However, along with the development of LTE (and also future mobile telephone technology), the capacity requirements for Gi/SGi Firewalls are increasing dramatically, which is creating both strong growth and room for new solutions. Add to that, a redefinition of networks towards more virtual structures, and the conclusion becomes that Clavister is well positioned to be able to find business opportunities within this area, particularly as a subcontractor to the industry players that there is already an agreement with.

According to Infonetics, the market for Gi/SGi Firewalls will reach over 500 million US dollars in 2018. Analysts argue that the growth and the total market size for Gi/SGi Firewalls will reach the same magnitude as LTE Security Gateways. Clavister has today a technically solid platform that can offer commercial Gi/SGi Firewall solutions, however it is judged that additional investments in further software development are required so that the solution can be competitive as possible.

GRX Firewalls

Traffic between two mobile operators (so called, "roaming" traffic) is managed from a security perspective by GRX Firewalls. GRX Firewalls defend against attacks that have their origin in the other mobile operator's networks or their users. From a volume standpoint, GRX Firewalls do not deal with such a great amount of data, which means that the total market is significantly smaller than for LTE Security Gateways or Gi/SGi Firewalls. This segment is, nevertheless, interesting for Clavister, where the solutions share many of the same properties as Gi/SGi Firewalls. Here also, it is judged that additional investment in further software development is necessary.



Announcements

Key announcements during the period (April to June 2015)

Clavister expands R & D and Technical Support

Clavister intends to increase its resources in Research & Development by 50% due to strong international demand. Also increase of investments are expected in Quality and Testing as well as in Technical Support to meet the demand from a growing customer base in the Enterprise, Enterprise and Carrier.

Clavister appoints Björn Norrbom and Ilkka Hiidenheimo to the Board

Björn Norrbom has extensive operational experience from senior positions in the IT and telecommunication business and of the boards of directors of private and public companies. Ilkka Hiidenheimo was founder, CTO and CEO and President of Stonesoft, one of the largest European providers in IT network security. McAfee, later Intel Security, acquired Stonesoft in 2013 and Hiidenheimo acted in 2014 in the role of CEO and President.

Clavister secures loan financing

A loan financing of 2 MEUR, about 18,5 MSEK, is secured. The agreement also includes an option for another 2 MEUR, provided if certain conditions are met. The Financing Agreement is signed with Harbert European Growth Capital Fund ("HEGCF").

Clavister partners DataCom and Ruckus Wireless secures the WiFi network in ÅF Offshore Race 2015

Clavister delivers with DataCom and Ruckus Wireless a secure WiFi network for both spectators, teams and organizers from the Royal Swedish Yacht Club during the ÅF Offshore Race 2015, in Stockholm on June 25th to 28th.

Clavister signs license agreement with leading telecom supplier

Clavister announces that it has signed a license agreement with a leading provider of telecommunications, to deliver software-based security solutions for the telecommunications market.

Jim Carlsson, CEO at Clavister said: "As part of Clavister's "go-to-market" strategy, the agreement is an important step to be able to strengthen our position in this large, fast-growing market".



Announcements

Key announcements after the period (July to August 2015)

Clavister is increasing its market presence in Japan

Clavister plans to further develop its presence in Japan by strengthening its existing distribution partnership, and working with new strategic solution providers to extend the market reach for its innovative security solutions.

Clavister and Artesyn in collaboration on the delivery of high security solutions for embedded systems

Clavister has announced a reseller agreement with Embedded Artesyn Technologies, a world leader in embedded computing solutions in the sectors of communications, telecommunications, broadcast, military, aerospace, and industrial automation. Artesyn will offer Clavister's industry-leading products and solutions to its key markets and customers. Clavister virtualized security software will be integrated into Artesyn computing hardware and provide the market with secure platforms with unsurpassed performance and capacity. The agreement also means that the two companies will collaborate on joint research and development to secure the next generation of IT infrastructure and communications. The collaboration follows a long period of joint development of solutions for the telecommunications industry, including securing LTE / 4G mobile network. It has been demonstrated a firewall performance of 1 Terabit per second and IPsec performance of over 400 gigabits per second on a blade server, by using the Artesyn hardware acceleration and load balancing technologies together with Clavister scalable multi-core technology. Clavister and Artesyn expect a strong customer response and mutual growth as a result of the cooperation.

Clavister signs 3-year license and support agreement with Regus at an order value of 1,9 MEUR

Regus, the world's leading provider of office space, is using Clavister physical and virtual firewalls since 2009 to secure thousands of offices worldwide. The order value is estimated to 1,9 MEUR.

Clavister Firewall technology has secured and prioritizes traffic in Regus' network in more than 100 countries with both physical and virtual firewalls.

Clavister's solutions ensure global VPN communication to Regus data center and enables secure remote access to Regus internal applications and servers. Regus is using Clavister solution in Europe, Asia, Latin America and the United States. Clavister has also developed a provisioning platform for Regus central support center, which allows Regus to centrally manage the security of its customers, wherever they are in the world.

Clavister opens a new center for research, development and support in Umeå

The initiative is to accelerate the recruiting of developers' necessary for exploit the potential of the agreements the Company recently entered into.

The office will also house service and support to meet the needs of its growing customer and partner base. Through the establishment and the proximity to the University of Umeå, Clavister anticipates attracting Sweden's best technical talents to the company. The office is not farther away than about 100 km from Clavister's headquarters in Örnsköldsvik and will open in November.

Clavister secures additional financing and has decided to apply for change of list to NASDAQ OMX Stockholm in 2016

The Company has completed a private placement to external investors of 30 MSEK and 35 SEK per share, corresponding to a dilution of 5,2%. The financing will support an accelerated strategy of growth based on the expanded opportunities that the recent strategic contracts signed will mean for the Company. The Board has decided to apply for listing change to NASDAQ OMX Stockholm in 2016 on the basis of the commercial conditions and the financing ensured.

Financial information

Revenue and profit

Revenue for the quarter amounted to 12,8 MSEK (13,0), an improvement versus the first quarter and in line with last year. Gross profit ended at 9,3 MSEK (9,2). Operating income summed up to -16, MSEK (-12,6).

Of the revenue change of -1,3% in the quarter, the total change adjusted for currency fluctuations compared with the second quarter of 2014 represents -4,0%, i.e. positive impact due to currency effects amounted to +2,7 percentage points. The Company still faces a great interest from potential customers, which brings a continued need for investments mainly in software development, ie, R & D, support and sales.

Capitalized development costs increases as the number of developers increase. The capitalization of work performed by the Company has increased by 13% year over year.

Recruitment of software developers have for some time been intensified and will continue this autumn and in 2016. In August, a support technician from Holland started as well as developers from Bulgaria, France and Portugal. Staff costs have therefore risen to 18,2 MSEK (16,2), or 12% year over year and the number of employees from 101 to 118, i.e. 17%, of which the subsidiary Clavister China increased by 7 employees.

The increase in other external costs of 7,9 MSEK (5,3), due to both increased expenses for support and maintenance, and purchase of external administrative and legal services.

Investments, capitalized expenses and depreciations

Investments in tangible fixed assets were not made during the period. The Company continues to make significant investments in software development and has during the quarter, capitalized development costs amounting to approximately 53% of the Company's total development costs. Total capitalized work for the period April to June is 4,4 MSEK (3,9).

During the second quarter, depreciation of tangible assets amounted to -0,2 MSEK (-0,3) and amortization of intangible assets, related to capitalized work, to -3,7 MSEK (-3,9).

Cash flow

Cash flow during the period was MSEK -4,6 MSEK (6,8), this is summed basis;

- -17,8 MSEK (-12,9) refers to the Company's operating profit after financial items, +3,8 MSEK relates to adjustments for depreciation and amortization, non-cash flow impact, -0,2 relates to taxes paid and -4,4 MSEK relates to the period's change in working capital. Cash flow from operating activities including changes in working capital is totaling to -18,6 MSEK (-19,2).
- Cash flow regarding investments and intangible assets amounted to SEK -4,4 MSEK (-5,4).
- Cash flow from financing activities amounted to +18,4 MSEK for the period and the loan received. Corresponding period in 2014 there was a share issue which raised net +31,4 MSEK.



Financial information

Liquidity and financial position

Cash and cash equivalents at the period end amounted to SEK 6,4 MSEK (34,3).

The Company has during the quarter secured the contract with Regus for three years, signed an agreement with a leading telecom supplier and a partnership agreement with Artesyn in the US where Clavister's software integrated into Artesyn's hardware. This will allow increased revenue and together with continued good gross margins decrease the rate of consumption of liquid funds compared favorably with the past. The increasing customer interest is time consuming and requires not only further investment in development resources but may also affect increase of the employees in the rest of the organization.

The Company secured in June a debt financing of 2 MEUR which strengthened the financial position. There are further opportunities for loan of 2 MEUR. In addition, the Company completed a private placement to external investors at 30 MSEK in August. Furthermore over 1,3 million warrants will fall due in the end of the year. Upon full subscription the Company's liquidity will increase by 36 MSEK gross. Further information regarding the private placement and the warrants fall due may be found in "Shares, share capital and ownership" on page 16.

Equity

The equity was 37,2 MSEK (76,5) as per 2015-06-30.

The Company has changed the accounting method according to K3 regulations. The transition has had major positive accounting effects on the Company's equity as a result of deferred tax assets on unused tax losses. See the heading Accounting principles and transition to K3 in Annual Report and Financial Statement for 2014 www.clavister.com/investor-relations/financial-documents/.

Disputes and legal proceedings

Clavister AB has received a subpoena from the customer, submitted to Ångermanlands Tingsrätt in December 2014. The dispute concerns the interpretation of a contract. The amount claimed is 13.5 million. The Company has not made any provisions in the balance sheet, but the claimed amount is recorded as a contingent liability. The Company has submitted its defense and denies the citation fully. Clavister has submitted a petition to the District Court- Ångermanlands Tingsrätt. Any costs will be covered by the Company's business insurance.

Audit

The report of the second-quarter has not been audited by the auditors. The Company's auditors review the Company's Annual Report, consolidated financial statements and accounts and the Board of Directors and the CEO.

Accounting principles and transition to K3

The annual report are prepared in accordance the Annual Accounts Act (1995: 1554) and the Accounting Standards Board according BFNAR 2012: 1 (K3). No relief rules have been applied in connection with the transition to K3. To allow meaningful comparison with the previous year's first quarter, all the items in the income statement, balance sheet and cash flow statement have been recalculated. K3 has affected the accounting for convertible loans, share-based compensation, financial leases, and deferred tax. The effects of the transition to K3 are evident in the financial statement available on the Company's website www.clavister.com/investor-relations/financial-documents/.



Financial information

Assumptions

The Board and executives of the Company make estimates and assumptions that affect the Company's results and position. The assumptions are continually evaluated and are based on historical experience, expectations of future events, 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 in reported values for the results and financial position in future reporting are primarily assessments of market conditions, the estimate of the Company's intangible assets, impairment testing of goodwill, valuation of deferred tax assets and accounts receivable.

Risks and uncertainties

The Company refers to the Annual Report of 2014 and the website www.clavister.com/investor-relations/financial-documents/ where a more comprehensive statement over the risks and uncertainties of the business that can significantly affect the outcome and share performance is described. Risks are a natural part of the activities. Clavister works continuously to identify, assess, evaluate and prevent risks of the business performed. Risks if they occur that will affect, and may affect Clavister's sales, earnings and financial position. In brief including **operational risks** where market or operational risks such as competition, product liability and guarantees, the risks to employees and key personnel, declining economic growth, intangible assets that are not patented and legal risks included. Within the **financial risks** described interest rate, credit and liquidity risks. All sales are made in EUR, USD or SEK, regulated in the contract with customer. Euro dominates, followed by Swedish kronor. Currency fluctuations both in terms of supplier payments and customer payments can create losses or gains and affect the financial position.

Clavister China Ltd. invoice and report in the Chinese currency CNY (Yuan). There has been a major increase of the currency CNY against the SEK during the years 2013, 2014 and 2015, but the depreciation of the currency adopted by the Chinese central bank in mid-August against the USD, the value has also fallen against SEK and is now at about the same level as at the beginning of the year. The trade and sourcing of products in Clavister China Ltd. takes place locally and in the local CNY for the major part which make the currency impact on net profit limited, but do affect net profit of the Group.

Hedging occurs in a very limited extent, as the predictability of customers' payment patterns are difficult to predict. Payments in and out are offset continuously.

In terms of the overall allocation between different currencies are sales in EUR representing around half of the sales in group, followed by SEK and CNY representing one fifth each. The costs are dominated by SEK to around two thirds, and the remainder is distributed between the USD, EUR and CNY.

Staff

Number of employees as of 2015-06-30 was 118 (101) of which 31 (24) are employed in Clavister China Ltd. Parent Company with limited operations, has one employee.

Financial information

Clavister (group)

	3 months April - June		6 months Jan - June		12 months Jan - Dec
Income statement (TSEK)	2015	2014	2015	2014	2014*
Net sales	12 846	13 016	23 565	24 001	62 263
COGS	-3 555	-3 801	-6 376	-7 173	-12 260
Gross profit	9 291	9 215	17 189	16 828	50 003
Gross margin, %	72,3%	71%	73%	70%	80%
Cap. Dev. Expenses	4 390	3 900	8 636	7 800	13 913
Staff costs	-18 164	-16 156	-35 403	-30 936	-63 902
Other external costs	-7 889	-5 295	-14 850	-10 716	-29 091
Depreciation and impairment loss	-165	-340	-355	-690	-693
Amortization and impairment loss	-3 660	-3 925	-7 290	-7 895	-15 100
EBIT	-16 197	-12 601	-32 073	-25 609	-44 870
Financial items	-1 613	-340	-2 221	-525	-1 171
Resultat after financial items	-17 810	-12 941	-34 294	-26 134	-46 041
Taxes	-4	-14	-16	-42	10 244
Net profit - loss	-17 814	-12 955	-34 310	-26 176	-35 797
<i>Average number of shares</i>	16 321 646	15 171 886	16 321 646	16 321 646	16 321 646
<i>Average number of shares (after dilutive effect)</i>	18 938 612	17 165 602	18 938 612	18 315 362	18 315 362
<i>Result per share, SEK</i>	-1,09	-0,85	-2,10	-1,60	-2,19
<i>Result per share (after dilutive effect), SEK</i>	-0,94	-0,75	-1,81	-1,43	-1,95

*Comparative figures are according to the adopted Annual Accounts of 2014

Financial information

Balance sheet (TSEK)	2015-06-30	2014-06-30	2014-12-31*
Intangible assets	33 116	33 984	31 772
Tangible assets	2 036	2 460	2 256
Financial assets	37 405	26 690	37 468
Inventories	8 040	3 619	5 551
Current receivables	7 787	13 893	12 279
Cash and bank balances	6 372	34 328	11 655
Total assets	94 755	114 974	100 981
Equity	37 188	76 489	67 830
Provisions	0	4 273	0
Long-term liabilities	28 160	14 803	8 852
Current liabilities	29 407	19 408	24 298
Equity and liabilities	94 755	114 974	100 981
Pledged assets **	185 774	12 615	11 836
Contingent liabilities	13470	0	13 470

	3 months		6 months		12 months
	April - June		Jan - June		Jan - Dec
Equity (TSEK)	2015	2014	2015	2014	2014*
Equity, beginning of period	52 060	57 673	67 830	70 894	70 894
Issue	90	34 000	90	34 000	34 000
Issue expenses	0	-2 350	0	-2 350	-2 350
Share-based compensation	3 069	0	3069	0	137
Translation difference	-217	121	509	121	946
Result for the period	-17 814	-12 955	-34 310	-26 176	-35 797
Equity, end of period	37 188	76 489	37 188	76 489	67 830

*Comparative figures are according to the adopted Annual Accounts of 2014

** In Q2 Clavister AB raised loans and the essential part of shares in the subsidiary are the pledged assets for the loan

Financial information

	3 months		6 months		12 months*
	April - June		Jan - June		Jan - Dec
Cash flow analysis (TSEK)	2015	2014	2015	2014	2014
Cash beginning of period	10 977	27 497	11 655	44 496	44 496
Profit (loss) after financial items	-17 811	-12 941	-34 295	-26 134	-46 041
Adjustments for non-cash items, etc.	3 827	4 265	7 647	8 585	13 175
Paid taxes	-195	-373	-362	-30	180
Cash flow from operating activities before working capital changes	-14 179	-9 049	-27 010	-17 579	-32 686
Change in W/C	-4 396	-10 178	2 703	-14 646	-14 050
Cash flow from operating activities	-18 575	-19 227	-24 307	-32 225	-46 736
Cash flow from investing activities	-4 390	-5 392	-8 636	-9 393	-14 915
Cash flow from financing activities	18 360	31 450	27 660	31 450	28 810
Cash flow	-4 605	6 831	-5 283	-10 168	-32 841
Cash end of period	6 372	34 328	6 372	34 328	11 655

*Comparative figures are according to the adopted Annual Accounts of 2014

Financial information

Clavister (parent)	3 months		6 months		12 months
	April - June		Jan - June		Jan - Dec
Income statement (TSEK)	2015	2014	2015	2014	2014*
Net sales	420	0	840	0	1 440
Staff costs	-241	0	-480	0	-462
Other external costs	-499	-258	-762	-449	-1 323
EBIT	-320	-258	-401	-449	-345
Financial items	-236	-6	-380	-6	145
Result after financial items	-556	-264	-781	-455	-200
Taxes	0	0	0	0	15
Net profit (loss)	-556	-264	-781	-455	-185

	April - June	Jan - June	Jan - Dec
Balance sheet (TSEK)	2015-06-30	2014-06-30	2014-12-31*
Financial assets **	260 679	221 063	244 124
Current receivables	2 985	352	31
Cash and bank balances	179	29 084	7 272
Total assets	263 843	250 499	251 427
Equity	254 771	249 957	250 452
Long-term liabilities	8 492	0	0
Current liabilities	579	542	975
Equity and liabilities	263 843	250 499	251 427
Pledged assets ***	260 970	0	0
Contingent liabilities	0	0	0

	3 months		6 months		12 months
	April - June		Jan - June		Jan - Dec
Equity (TSEK)	2015	2014	2015	2014	2014*
Equity, beginning of period	251 627	213 568	250 452	213 759	213 759
Cash issue	90	34 000	90	34 000	34 000
Non-cash issue	541	5 092	541	5 092	5 092
Issue expenses	0	-2 350	0	-2 350	-2 350
Share-based compensation	3 069	-89	3 069	-89	137
Equity portion of convertible loan	0	0	1 400	0	0
Result for the period	-556	-264	-781	-455	-185
Equity, end of period	254 771	249 957	254 771	249 957	250 452

*Comparative figures are according to the adopted Annual Accounts of 2014

** Clavister group structure was established before the listing of shares on NASDAQ First North, by the newly formed Clavister Holding AB without business acquired Clavister AB through a cash issue. The transaction was treated as a private placement and constitutes a direct continuation of the consolidated financial statements in Clavister AB. The financial asset of the parent Company thus represents the value of the retrieved shares and deferred taxes according to K3.

*** In Q2 Clavister AB raised loans and the essential part of shares in the subsidiary are the pledged assets for the loan

Shares, Share Capital and Owner Relations

Share Capital

The company's share capital amounts to 1 635 351,30 SEK.

Shareholders and Shares

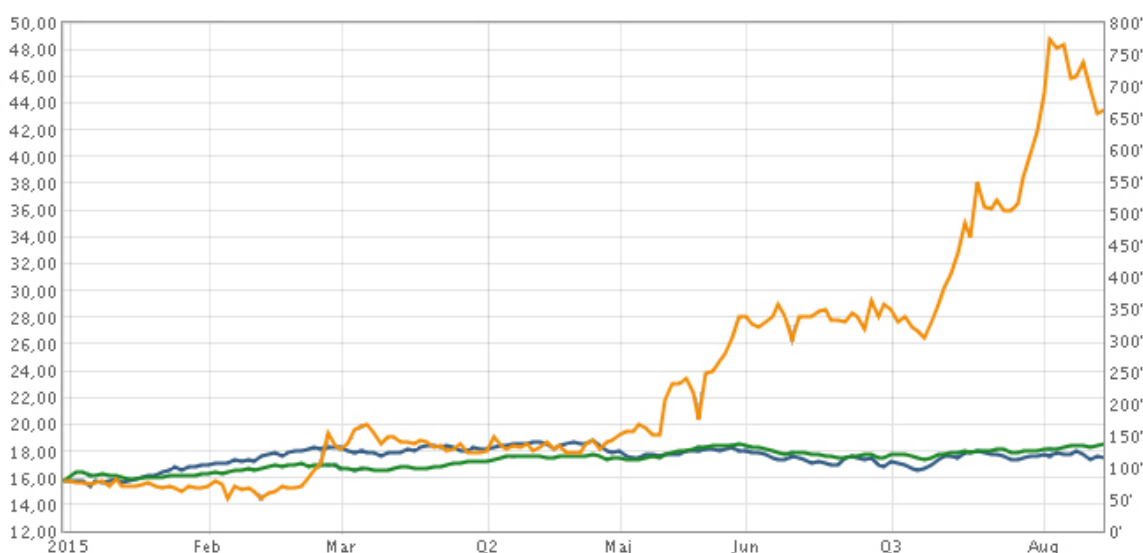
There are 5 413 shareholders and the number of registered shares at end of the period (2015-06-30) was 16 353 513 according to Bolagsverket.

Shareholders	Number of shares	% of total number
Försäkringsaktiebolaget, Avanza Pension	2 533 210	15,5%
SEB Venture Capital	1 267 435	7,7%
Stiftelsen Industrifonden	1 267 435	7,7%
Handelsbanken Liv	1 138 155	7,0%
Nordnet Pensionsförsäkring AB	951 334	5,8%
UBS AG Clients Account	451 886	2,8%
Clavister Förvaltnings AB	406 745	2,5%
AMF Aktiefond Småbolag	380 000	2,3%
Applied Vencap LLC	339 121	2,1%
Peter Dahlander	240 164	1,5%
Övriga	7 378 028	45,1%
Total registered shares	16 353 513	100,0%

All shares have the same voting rights. One share equates to one vote.

Share price/performance Clavister Holding – comparison from year-end 2014/2015

Clavister Holding First North All-Share SEK OMX Stockholm_PI



Shares, Share Capital and Owner Relations

New share issue

The Board received in April a mandate until the next Annual General Meeting to decide on increasing the share capital through, inter alia, new issues with deviation from the Company's shareholders' preferential rights. The Company completed during August a private placement of 30 MSEK to external investors to the subscription price 35 SEK per share, with a lock-up period of 6 months. The number of shares increases by 857 143 pieces, which corresponds to a dilution of 5,2%.

Warrants

There are five current incentive programs, all addressed to the board of directors and key employees of the Company. Pricing is based on the Black & Scholes option pricing model. Holders of warrants shall have the right for each warrant to subscribe for one new share in the Company. The number of warrants issued to a total of 1 1,650,299 pieces.

The approximately 1,3 million warrants, which expire at year-end 2015-12-31 provides a cash injection of 36 MSEK if fully subscribed, of which 72 500 have already been solved at the subscription price 20 SEK each. The exercise of these gave the Company 1,45 MSEK. Total dilution for the three Warrants plans is about 8,1%.

There is an additional program for warrants attached to the made loan financing in June, corresponding to a dilution of maximum 1,8% and 300 000 warrants, subject to certain reservations. They are due by 2025.

Reasons for incentive programs

Clavister believe it is positive with balanced incentive programs targeted for key individuals, employees and directors of the Company. The allocation is usually based on a "quid pro quo", either in the form of a personal investment and / or in the form of fulfillment of targets set. Furthermore, the main shareholders deemed it beneficial to the Company and its shareholders that directors have a financial interest in the Company equivalent to the shareholders.

Warrants 2015-06-30	Number of issued	Subscription price, SEK
TO 2013 - 2015-12-31 (1)	464 250	25
TO 2013 - 2015-12-31 (2.1)	181 250	20
TO 2013 - 2015-12-31 (2.2)	681 549	30
TO 2014 - 2016-12-31 (3)	173 250	30
TO 2015 - 2017-12-31 (4)	150 000	30
TO 2015 - 2025 (5)	300 000	15,2
Total warrants outstanding	1 950 299	

Convertible debentures

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

The promissory note which Norrlandsfonden holds today was changed to Clavister Holding AB since the parties agreed to set-off between Clavister AB and Clavister Holding AB (listed).



The Company

Clavister is a Swedish company founded in 1997 that develops and sells networking security solutions for Telecom and mid-sized companies. Clavister solutions are built on in-house developed, innovative software with very powerful performance and of high quality.

Clavister started as a consulting company in Örnsköldsvik and operated until it started with customized software developments towards to Defense Industry and Public Sectors. At the turn of the millennium, the Company conducted several Internet based development projects which gradually laid the foundation for what was to become subsequently Clavister security products. During the early years as a product Company, Clavister successively built a commercial packaging of firewall products aimed at small and mid-sized enterprises. In 2002 the Clavister Firewall 8.0 was launched with a unique technical architecture and at that time the fastest firewall product in its class on the market. Today the Company offers an extensive portfolio of products together with comprehensive services of expert competences packaged to meet customer needs.

Security and network security in particular, continue to be the areas of focus. The balance between personal integrity and security, between effectivity, flexibility and security are only some of the aspects that make this area complex. In a world with constantly renewing technological achievements and ways to communicate, it demands ever more advanced and powerful networking solutions, without any degradation of effectiveness, security and personal integrity.

Clavister has a strong standing within networking security. Development within the Telecom sector displays a particularly strong potential for development and therefore Clavister has a unique advantage with the right technology, strong business alliances and clarity of vision. Estimates are that the demand for advanced network security solutions within the Telecom sector will continue to grow strongly, partly in line with the expansion of 4th generation mobile telephone network implementations (4G/LTE), and partly because of the vast increase in data-traffic mixtures on account of ever more users have smart devices (telephones).

Concerning the area of network security for medium-sized companies, Clavister is highly equipped with a well-adapted and attractive product portfolio, a large established customer base and a strong business model, which generates business both in the short and long term. The synergistic of network security and the suitability both for Telecom and medium-sized businesses, increases moreover the Company's potential further.

The Company

Overall strategy

Clavister's strategy is to create value for customers; shareholders and other stakeholders by continuously develop and refine the unique technology and products developed in network security to achieve commercial success with the technology in specific markets where the company has strong comparative advantages, versus competitors. The market for network security is global and has strong growth. The key for Clavister to reach full international success lies in active sales partnerships with strong, dedicated partners, both international as well as local.

Group Structure

A limited amount of the group's operation is conducted in the Clavister Holding AB, such as the administration of the Company's shares and operations directed towards investors. The definitive main body of the group's transactions is conducted in the subsidiary, Clavister AB, e.g. Sales, G&A, Technical Support and R&D. In Clavister AB also reside contracts with employees, customers, partners, agencies and suppliers.

Clavister APAC does not have any employee; however the number of employees in Clavister China amounts to 31. The business is conducted in six separate cities: Beijing, Xi'an, Zhengzhou, Shanghai, Chengdu and Guangzhou.

Clavister Holding AB (publ.) has its head office in Örnköldsvik and its largest sales office in Stockholm. The Company has been listed on the NASDAQ First North since 21 May 2014.



Upcoming reports

Quarterly Report

July- September 2015: November 24th, 2015

Örnsköldsvik 27 of August, 2015

Clavister Holding AB (publ.)

The Board of Directors



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