

CLAVISTER®

Third Quarter Report 2015

Clavister Holding AB (publ.)

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Third-quarter sales rose 25 %

- Net Sales during the third quarter rose to 20,1 MSEK (16,0), corresponding to a growth rate of 25 % compared to last year's corresponding quarter and by 57% against the second quarter.
- Gross profit amounted to 14,0 MSEK (16,4) for the third quarter and the period's gross margin sums to 69% (102). Last year's gross profit and margin were positively impacted by a reversal of provision of 4,3 MSEK.
- Net loss during the third quarter summed to -10,7 MSEK (-6,5).
- Cash and cash equivalents at the end of the period increased to 33,2 MSEK (22,3).

Financial key figures (group)	3 months			9 months		
	July - Sept			Jan - Sept		
TSEK	2015	2014	% (Y/Y)	2015	2014	% (Y/Y)
Net sales	20 133	16 045	25%	43 698	40 046	9%
Gross profit	13 952	16 366*	-15%	31 141	33 194	-6%
<i>Gross margin</i>	69%	102%		71%	83%	
EBIT	-9 964	-6 087	-64%	-42 037	-31 696	-33%
Net profit (loss)	-10 679	-6 477	-65%	-44 989	-32 653	-38%
Result per share (SEK)	-0,63	-0,40	-59%	-2,65	-2,00	-33%

* Gross profit for the third quarter 2014 included a reversal of provision of 4,3 MSEK.

Strategically important starting points

Clavister has signed a distribution agreement with Canon IT Solutions, which is intended to let Clavister replace their existing suppliers in the Japanese market for network security.

- The first order from Canon of 1,4 MSEK was delivered during the third quarter.
- The market for security products is estimated at \$ 360 million in Japan, of which Canon's share is estimated to be considerable.
- Stated remarks from Canon allege an estimated sales volume of approximately 170 MSEK for Clavister's SMB product E80 during the years 2015 to 2020. (Note: Not to be considered a forecast because the agreement does not contain any guarantee of specific volume of sales of Clavister products.)

Artesyn Embedded Technologies, has launched a new security platform based on Clavister's software, which gives the opportunity to dramatically lower the cost of deployment and management of virtual, cloud-based security platforms.

Clavister has never met such a response from new and existing customers and partners - as confirmed above and in previously signed strategic agreements. The Company's growth strategy is therefore very timely and will help us in continuing business discussions.

In some cases rounding has been applied, which means that tables and calculations do not always tally. Comparisons are made with the corresponding period of the previous year in brackets (), unless otherwise indicated.

CEO's comments



Jim Carlsson, CEO Clavister.

Growth in the third quarter – the company's turnover grew by 25% during the third quarter compared with the same quarter last year. This gives us a growth of 9% for the first nine months compared with the previous year. It is worth noting that it is legacy business that is being grown. The altered Go-To-Market strategy has resulted in a number of strategic agreements in 2015, but this has not yet had any major influence on our quarterly figures, but is expected to start making an impact during in 2016.

From a geographical perspective, we will cleanup enormously in the Nordic region and the rest of Europe during the third quarter, with sales growth of 82% compared to the previous year. Accumulated for the first nine months, the increase amount to of 40% for the region. In China, we see an improvement, with sales growth from the previous quarter by 70%. Brazil, as a national market, has had a very turbulent year and we are still waiting for implementation projects to start. It is a combined result of the problems the country faced and the country-wide strikes in the INSS (Brazil's equivalent of the Swedish Social Insurance Agency), which delayed our project.

Artesyn, strategic telecom contracts – During the summer, a major distribution agreement with Artesyn Embedded Technologies was signed. The agreement is the result of a long period of joint development of solutions for the telecommunications industry, including amongst others, secure LTE / 4G mobile networks. Our joint solution means that Artesyn has now launched the world's fastest security gateway for LTE / 4G mobile networks. The agreement builds on Clavister's investment in the telecom industry and strengthens our foothold, and our credibility as a provider of telecommunications solutions.

Canon, strategic agreement on one of the world 's largest markets – In October, we signed a collaboration and distribution agreement with Canon IT Solutions in Japan. Canon has chosen to replace the two existing competing products with Clavister products, after a long period of evaluation. It is an important agreement with great potential, a first step in the context of a far-reaching cooperation and an important part of our focus in Asia. Japan is the second largest IT security market and therefore an important market for Clavister. Canon has made an initial small order of 1,4 MSEK.

CEO's comments

As a next step, among other things, on November 26-27, together with the Swedish IT and Innovation Minister, Mikael Damberg, Clavister will participate in a strategic meeting in Tokyo. This meeting will address the Swedish and Japanese business community under the theme "Strategic Collaboration for Innovation". Clavister will also be one of the presenters.

Continued recruitment – We continue the recruitment of staff under the overall plan. During November we also opened our new office in central Umeå. The proximity of the office to the University of Umeå should give us continued access to the best technical expertise for the company.

Liquidity – It is nice to know that our liquidity situation is under control. During the autumn, by means of a directed share disbursement, 30 MSEK was generated and in addition we receive 36 MSEK as a result of a number of option programs expiring at the end of December 2015. With this 66 MSEK together with an opportunity to execute another 2 MEUR from Harbert, I feel we are stable and secure before embarking on our continued very exciting journey towards being able to execute the company's strategy and capitalize on the opportunities that lie ahead.

During the year we released a number of products based on new technology with very competitive performance; this means that we are very well positioned to be part of further strategic cooperation projects.



Behind the keyboard,
Jim Carlsson, CEO Clavister

Announcements

Key announcements during the period (July - September 2015)

Clavister increases its market presence in Japan (2015-07-09)

Clavister is planning to develop its presence further in Japan by strengthening existing distribution cooperation and work with the new strategic solution providers to extend the reach of the market in innovative security solutions.

Clavister and Artesyn concluded collaboration on the delivery of advanced security solutions (2015-08-03)

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's virtualized security software will be integrated into Artesyn's 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 networks. By using the Artesyn hardware acceleration and load balancing technologies, as well as Clavister's scalable "multi-core" technology, it has been possible to detect firewall performance at 1 Terabit per second and IPsec performance of over 400 gigabits per second on a blade server. 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 to a value of 1,9 MEUR (2015-08-03)

Regus, the world's leading provider of office space, has been using Clavister physical and virtual firewalls since 2009 to secure thousands of offices worldwide. The order value is estimated at 1,9 MEUR. Clavister Firewall technology has secured and prioritised traffic in Regus' network in more than 100 countries with both physical and virtual firewalls.

Global VPN communications are provided with Clavister's solutions to the Regus data center and enables secure remote access to Regus' internal applications and servers. Regus employs Clavister solutions 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 is opening a new office for the development and support in Umeå (2015-08-24)

The initiative is intended to accelerate the recruitments needed to meet the potential of the contracts that the Company recently entered into. The office will also house an expanded service and support to meet the needs of its growing customer and partner base. By means of this positioning, Clavister's proximity to the University of Umeå bolsters the hope of attracting Sweden's best technical talent to the company. The office is no farther away than approximately 100 km from Clavister's headquarters in Örnköldsvik and will open in November 2015.

Clavister secures additional financing and has decided to apply for listing change to NASDAQ OMX Stockholm in 2016 (2015-08-25)

The Company has completed a disbursement directed at external investors of about 30 MSEK and 35 SEK per share, corresponding to a dilution of 5,2%. This is part of a financing to support the implementation of an accelerated growth strategy based on the expanded opportunities that the recent strategic agreement represents for the company. The Board has taken the decision on the basis of the commercial conditions and the financial ensured, to apply for listing change to NASDAQ OMX Stockholm in 2016.

Announcements

Key announcements during the period (October-November 2015)

New version of security software provides improved functionality and performance increases (2015-10-01)

Clavister has launched a new version of the security operating system COS Core Version 11.00 that improves VPN and Web filtering functionality and increases performance dramatically in some products. A line-up of new functions are positively affected, including enhanced anti-spam, and protection against malicious links. A “ multi-core” architecture increases the performance of the “plain-text” of up to 100 %. Used together with Intel QuickAssist crypto accelerator, VPN performance is increased by up to 600%. Web Content Filtering performance is improved by up to 300%.

Canon IT Solutions signs agreement with Clavister network security to the Japanese market (2015-10-06)

Clavister concluded a distribution agreement with Canon IT Solutions to deliver security technology to the Japanese market, the world's second largest IT security market. An initial order of 1,4 MSEK has been signed as a first step. Canon IT Solutions has a significant share of the Japanese market for security, amounting to \$ 360 million. Canon IT Solutions is starting to sell and distribute Clavister's security solutions to the Japanese SMB / SME sector and intends to subsequently expand to the enterprise market.

Changes in the shareholder list and the number of shares in the Clavister (2015-10-14)

The family Niclas Ericsson has acquired 600,000 shares and has thus an ownership of a total of 6,7% in Clavister. A further 100,000 shares were acquired in equal parts by family Hamberg and Kling. Both have thus increased its shareholding after the emission which took place in August 2015. The seller is SEB Venture Cap and Industrifonden. Senior management has increased its ownership in Clavister of 150,900 shares in conjunction with exercise of warrants. Furthermore, Harbert European Growth Capital Fund, lenders to Clavister, redeemed 147,897 warrants. Overall, it is through the exercise of warrants during the period that added 10,9 MSEK of redemption liquidity to Clavister.

Canon IT Solutions anticipate large sales volumes within the framework of the agreement with Clavister (2015-10-16)

Clavister announced at a previous meeting that it has entered into a distribution agreement with Canon IT Solutions. Canon has subsequently stated in the media that its sales of Clavister's SMB product (Small and Medium Business) E80, is expected to reach 2,5 billion JP¥, corresponding to approximately 170 MSEK during the period 2015-2020, excluding the sale of any additional “high end “ products and solutions. *(Not to be considered as a forecast because the agreement does not contain any guarantee of specific volume of sales of Clavister products)*

Clavister included in Wind River's Titanium Cloud Ecosystem (2015-10-27)

The partnership enables a significantly increased system flexibility of Clavister's security solutions deployed in Wind River environments, amongst others with mobile operators.

Artesyn Launches New security platform based on Clavister Software (2015-11-05)

Artesyn is launching new security platforms based on Clavister software, with world-class performance and significantly lower costs for expanding and installing a security platforms in virtualized solutions.

Clavister obtains business from EPiServer for 1,4 MSEK (2015-11-12)

Clavister gained continued confidence in delivering networking security solutions by deploying EpiServer, a leading provider of digital marketing and e-commerce solutions. EPiServer uses Clavister systems to protect business-critical information in their data centers. The order value amounts to over 1,4 MSEK, and the contract runs for three years.

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Sales and Profit

Third-quarter net sales in 2015 increased to 20,1 MSEK (16,0), which is a positive increase in sales compared to the first and second quarter and an improvement of 25% against last year. Compared to the 2015 second quarter sales of 12,8 MSEK, increased in the third quarter by 57%. Gross profit in the third quarter of 2015 ended at 14,0 MSEK (16,4). The reason for the high gross profit in 2014 was due to a reversal of provision in the balance sheet at +4,3 MSEK. This influenced the cost of goods for resale (COGS) positively, as well as the gross profit in 2014. Third quarter EBIT in 2015 amounted to -10,0 MSEK (-6.1) .

The increase in sales in the third quarter of 2015 compared with 2014 can be attributed to greater demand in Europe, where sales in the Nordic countries and Germany stand out. Each country's sales have increased by over 2 MSEK in the quarter to 4,5 MSEK (1,9) and 4,2 MSEK (1,9) respectively. If you compare the percentage change in 2015 over 2014, the Nordic countries have risen by 53% and Germany with 91%. The Company reinforced resources in Germany and this has been well invested.

Sales in China have been affected by the Chinese economy's slowdown at the beginning of the year. Third quarter of 2015 decreased by -29% year to year, but net sales from the second to the third quarter, however, increased by 70%. For all other countries in Asia, excluding Japan, the demand in 2015 increased, showing a growth of 7% compared to 2014.

Sales in Japan, by way of the agreement with Canon and the first initial order taking off in September, increased by 1,5 MSEK during the quarter. The interest in the company and our products has never been greater, but it appears nevertheless that the sales cycle until the purchase decision is protracted, thus affecting the overall turnover but not least, the sector's global accounts / OEM, which amounted to 3,5 MSEK (6,0) in the period and the full year 2015 decreased by -30% compared to 2014. The decline is partly explained by a new contract arrangement with Regus where sales now occur evenly over the contract period compared to before. The changeover has implied a negative one-time effect on revenues of -1,9 MSEK during the current quarter, but a gradual recovery is expected in the next six months .

Of the total revenue growth of +25,5% in 2015, which constitutes the total change, compared with the third quarter of 2014, excluding currency effects resulting in +23,7%, which is a positive impact as a result of currency fluctuations on +1,8 percentage points.

Geographical distribution (group)

Sales by market	3 months			9 months		
	2015	2014	% (Y/Y)	2014	2015	% (Y/Y)
Nordic	4 450	1 873	138%	9 766	6 368	53%
EMEA excl Nordic	6 041	3 903	55%	13 972	10 608	32%
Americas	700	249	181%	1 357	772	76%
APAC	5 085	3 288	55%	8 662	9 123	-5%
Global accounts - OEM	3 463	6 057	-43%	7 766	11 090	-30%
Sales	19 739	15 370	28%	41 523	37 961	9%
Other	394	675	-42%	2 175	2 075	5%
Total revenue	20 133	16 045	25%	43 698	40 036	9%

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The gross margin of 69% is lower in the third quarter of 2015, compared to the previous quarter which showed 72% and 74% respectively. The cause is attributed partly to a write-off of the store of reserve units with 0,3 MSEK due to end-of-life products, and partly to the initial transaction with Canon made at a lower margin, which impacted earnings by a further 0,3 MSEK. This transaction should be seen as an important step for the start of Canon business which also includes demo equipment. Upcoming business with Canon will demonstrate an improved gross margin successively. The previous year's third quarter includes a reversal of a previous provision which affected gross profit positively by 4,3 MSEK. If adjusted for the reversal of the provision made, 2014's gross margin increased the third quarter to 75%.

The company faces still more interest from potential customers, resulting in continued need of investment mainly in software development, support and sales. Work in progress by all accounts, therefore increases as the numbers of new developers are recruited. Throughout September 2015, work in progress increased by 4% compared to 2014. The change is small despite the recent recruitment of developers, but the reason is that last year's implementation work was capitalized provisionally until the time of the closing, compared to the current year when the capitalization was taken continuously, i.e. based on actual hours worked. This year's current representation is therefore considered to be more accurate than the previous year. The recruitment of software developers has been intense and will remain so in the autumn of 2015 and during in 2016. Therefore salaries expenditure during 2015 has increased to 15,7 MSEK (14,2), or 11% year to year and the number of employees has increased from 113 to 125, i.e. 11 %, of which the subsidiary Clavister China reduced by 1 employee. From the beginning of 2015, the cost of personnel increased by 13% to 51,1 MSEK (45,1) or 6 MSEK. Other external expenses in 2015 increased to 7,9 MSEK (7,0) in the third quarter, mostly due to increased marketing expenses, sales commissions and the purchase of external consultants and legal services. The increase for 2015 including September's increase is 5,0 MSEK.

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 during the quarter it has capitalized development costs representing approximately 50% of the company's total cost of development. Total capitalized work for the period July to September 2015 is 3,5 MSEK (3,9). The reduction compared to the previous period is due mainly to the change and more accurate accounting for the current year taking into account the actual hours worked and holidays.

During the third quarter, depreciation of tangible assets rose to -0,1 MSEK (-0,4) and amortization of intangible assets relating to prior capitalization, amounted to -3,7 MSEK (-4,8).

Cash Flow

Cash flow in the period July to September 2015, +26,8 MSEK (-12,0). This summarised as follows:

- -10,7 MSEK (-6,4) accounts for the company's operating profit after financial items, +3,8 MSEK relates to adjustments for depreciation and amortization, which does not impact the cash flow, -0,2 MSEK relates to taxes paid and +1,0 MSEK relates to the period's change in working capital.

Above along with a change in cash flow from operating activities including changes in working capital totaling -6,1 MSEK (-3,9).

- Cash flow regarding investments and intangible assets amounted to -3,5 MSEK (-3,9).
- Cash flow from financing activities amounted to +36,4 MSEK for the period and mainly attributed to the shares emission totaling 38,7 MSEK.

Financial Information

Liquidity and Financial Position

Cash and cash equivalents at the end of period amounted to 33,2 MSEK (22,3).

The Company's hedging agreements with Regus, Artesyn and Canon ensures improved sales and thus a gradual reduction in "consumption rate" of liquid resources. Clavister also secured the possibility of an interest-bearing loan of by the same lenders who previously lent 2 MEUR in June 2015. In addition, the company implemented a share issue directed to external investors at 30 MSEK during August 2015. Additionally, maturing more than 1,3 million warrants to the end of the year. These amplify the Company's cash, upon full subscription, with an additional 36 MSEK gross, of which 8,95 MSEK have already been signed in the third quarter, and where an additional 4,3 MSEK were signed during October and November. The Company believes that the absolute majority of the warrants will be signed, since share price developments have been favourable. In parallel, however, is the increasing customer interest which is resource-intensive and entails not only further investment in development resources, but might also mean additional employments elsewhere in the organization. Overall, the company assesses that the financial position is good.

Additional information regarding the new share issue and warrants is found under the heading Shares, share capital and Owner relations on page 15.

Equity

The equity amounted at 2015-09-30 to 62,3 MSEK (70,5). The increase in equity compared to the previous quarter is attributable mainly to new share issue totaling 38,7 MSEK.

The company, since previous accounts, has transitioned to reporting according K3 regulations. The transition has meant 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 Årsredoviningen of 2014 and the submitted report for 2014 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, 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 submitted its defence and denies the allegation in its entirety. Clavister has submitted a petition to the District Court in July. Any costs will be covered by the company's business insurance.

Audit

Third quarter report has not been audited by the auditors. The Company's auditors review the company's annual report, company accounts and bookkeeping together with the management of the Board of Directors and the CEO.

Accounting principles and transition to K3

The annual accounts and the consolidated accounts drawn up in accordance with 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 third quarter last year, all the items in the income statement, balance sheet and cash flow statement 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 clearly evident in the financial statement available on the company's website www.clavister.com/investor-relations/financial-documents/.

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Assumptions

The Board and company management make estimates and assumptions that affect the company's results and 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 prevailing values of the results and financial position in future reporting periods are primarily assessments regarding sales and market conditions, the depreciation of the Group's intangible assets, impairment testing of goodwill, valuation of deferred tax claims and accounts receivable.

Risks and Uncertainties

The company makes reference to the Annual Report 2014 and the website www.clavister.com/investor-relations/financial-documents/ where a more extensive summary is made of the risks and uncertainties of the business that could significantly affect the results and share performance. The company does not consider that during the reporting period no significant changes occurred regarding the risks and uncertainty factors compared to those featuring founded in the annual report. Risks are a natural part of the activities. Clavister works continuously to identify, assess, evaluate and prevent risks where business is exposed. If any risks occur, they may affect Clavister's sales, earnings and financial position.

In brief, operational risks are included, where market or operational risks are concerned, such as competition, product development and technical difficulties, product liability and guarantees, the risks to employees and key personnel end, deteriorating economic conditions, political events, intangible assets that are not patented and legal. Included in the financial risks described, are interest rates, credit and liquidity risks. Existing currency risks and all sales, either in SEK, USD and EUR, are regulated in the contract 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 affect the financial position.

The company in China invoices and reports in the Chinese currency CNY (Yuan). In China the CNY has steeply strengthened against the SEK during 2015, but the depreciation of the currency, adopted by the Chinese central bank in mid-August against the USD, although the value has fallen against the SEK, is now at about the same level as at the beginning of the year 2015. Since trade and purchase of products in Clavister China Ltd for the most part take place locally in the CNY currency, the exchange rate on earnings is limited, but earnings are accumulated in the Group.

Hedging occurs to a very limited extent as the predictability of customers' payment patterns are difficult to predict. Offsetting receipts and payments of equal value is made continuously.

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

Employees

The number of employees as of 2015-09-30 amounted to 125 (113) of which 33 (34) of Clavister China Ltd. The increase in personnel was 11%. Parent Clavister Holding AB, with limited operations, has one employee.

Employees are the company's most important asset and the strategy is to continue to create a good and stimulating working environment. Through the opening of another office in Umeå in November 2015, the company wishes to both attract new employees and also retain those employees that today commute from Umeå to Örnsköldsvik. A good working environment and challenging tasks with various forms of benefits and support from the company maintaining good health are crucial factors to continue to successfully attract, recruit and retain current employees.

Financial Information Group

Income statement (TSEK)	3 months July - Sept		9 months Jan - Sept		12 months Jan - Dec
	2015	2014	2015	2014	2014*
Net sales	20 133	16 045	43 698	40 046	62 263
COGS	-6 181	321**	-12 557	-6 852	-12 260
Gross profit	13 952	16 366	31 141	33 194	50 003
Gross margin, %	69%	102%	71%	83%	80%
Cap. Dev. Expenses	3 529	3 900	12 165	11 700	13 913
Staff costs	-15 678	-14 184	-51 081	-45 120	-63 902
Other external costs	-7 933	-7 007	-22 783	-17 723	-29 091
Depreciation and impairment loss	-109	-354	-464	-1 044	-693
Amortization and impairment loss	-3 725	-4 808	-11 015	-12 703	-15 100
EBIT	-9 964	-6 087	-42 037	-31 696	-44 870
Financial items	-696	-326	-2 917	-851	-1 171
Result after financial items	-10 660	-6 413	-44 954	-32 547	-46 041
Taxes	-19	-64	-35	-106	10 244
Net profit - loss	-10 679	-6 477	-44 989	-32 653	-35 797
<i>Average number of shares</i>	<i>16 962 286</i>	<i>16 321 646</i>	<i>16 946 353</i>	<i>16 321 646</i>	<i>16 321 646</i>
<i>Average number of shares (after dilutive effect)</i>	<i>18 942 743</i>	<i>18 315 362</i>	<i>18 926 810</i>	<i>18 315 362</i>	<i>18 315 362</i>
<i>Result per share, SEK</i>	<i>-0,63</i>	<i>-0,40</i>	<i>-2,65</i>	<i>-2,00</i>	<i>-2,19</i>
<i>Result per share (after dilutive effect), SEK</i>	<i>-0,56</i>	<i>-0,35</i>	<i>-2,38</i>	<i>-1,78</i>	<i>-1,95</i>

* Comparison figures are in accordance with the adopted Annual Report 2014

** A previous provision of 4,3 MSEK were reversed and affected the entry positive

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Balance sheet (TSEK)	2015-09-30	2014-09-30	2014-12-31*
Intangible assets	32 920	32 913	31 772
Tangible assets	1 722	2 377	2 256
Financial assets	37 473	26 580	37 468
Inventories	6 957	3 910	5 551
Current receivables	5 468	11 937	12 279
Cash and bank balances	33 186	22 295	11 655
Total assets	117 726	100 012	100 981
Equity	62 273	70 514	67 830
Provisions	0	0	0
Long-term liabilities	26 676	10 656	8 852
Current liabilities	28 778	18 841	24 298
Equity and liabilities	117 726	100 012	100 981
Pledged assets ***	48 622	24 338	11 836
Contingent liabilities	13 470	0	13 470

Equity (TSEK)	3 months		9 months		12 months
	July - Sept		Jan - Sept		Jan - Dec
	2015	2014	2015	2014	2014*
Equity, beginning of period	37 188	76 489	67 830	70 894	70 894
Issue of shares **	38 652	0	38 742	34 000	34 000
Issue expenses	0	0	0	-2 350	-2 350
Share-based compensation	-3 069	0	0	0	137
Translation difference	181	502	690	623	946
Result for the period	-10 679	-6 477	-44 989	-32 653	-35 797
Equity, end of period	62 273	70 514	62 273	70 514	67 830

* Comparison figures are according with the adopted Annual Report 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

Financial Information Group

	3 months		9 months		12 months
	July - Sept		Jan - Sept		Jan - Dec
Cash flow analysis (TSEK)	2015	2014	2015	2014	2014*
Cash beginning of period	6 372	34 328	11 655	44 496	44 496
Profit (loss) after financial items	-10 660	-6 413	-44 955	-32 547	-46 041
Adjustments for non-cash items, etc.	3 834	5 162	11 481	13 747	13 175
Paid taxes	-195	-153	-557	-183	180
Cash flow from operating activities before working capital changes	-7 021	-1 404	-34 031	-18 983	-32 686
Change in W/C	927	-2 516	3 630	-17 162	-14 050
Cash flow from operating activities	-6 094	-3 920	-30 401	-36 145	-46 736
Investments in intangible assets	-3 529	-3 900	-12 165	-13 293	-14 915
Cash flow from investing activities	-3 529	-3 900	-12 165	-13 293	-14 915
Cash flow from financing activities	36 437	-4 213	64 097	27 237	28 810
Cash flow	26 814	-12 033	21 531	-22 201	-32 841
Cash end of period	33 186	22 295	33 186	22 295	11 655

* Comparison figures are accordance with the adopted Annual Report 2014



Financial Information

Parent company

Income statement (TSEK)	3 months July - Sept		9 months Jan - Sept		12 months Jan - Dec
	2015	2014	2015	2014	2014*
Net sales	850	1 080	1 690	1 080	1 440
Staff costs	-231	-79	-710	-79	-462
Other external costs	-205	-467	-967	-916	-1 323
EBIT	415	534	13	85	-345
Financial items	-58	2	-438	-4	145
Result after financial items	357	536	-425	81	-200
Taxes	0	0	0	0	15
Net result	357	536	-425	81	-185

Balance sheet (TSEK)	2015-09-30	2014-09-30	2014-12-31*
Financial assets **	292 734	234 413	244 124
Current receivables	17	0	31
Cash and bank balances	5 016	16 808	7 272
Total assets	297 768	251 221	251 427
Equity	288 611	250 494	250 452
Long-term liabilities	8 636	0	0
Current liabilities	521	727	975
Equity and liabilities	297 768	251 221	251 427
Pledged assets ***	293 026	0	0
Contingent liabilities	19 906	0	0

* Comparison figures are according with the adopted Annual Report 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

Financial Information

Parent company

Equity (TSEK)	3 months July - Sept		9 months Jan - Sept		12 months Jan - Dec
	2015	2014	2015	2014	2014*
Equity, beginning of period	254 771	249 957	250 452	213 759	213 759
Cash issue	36 552	0	36 642	34 000	34 000
Non-cash issue	0	0	541	5 092	5 092
Issue expenses	0	0	0	-2 350	-2 350
Share-based compensation	-3 069	0	0	0	137
Equity portion of convertible loan	0	0	1 400	0	0
Result for the period	357	537	-424	82	-185
Equity, end of period	288 611	250 494	288 611	250 583	250 452

* Comparison figures are according with the adopted Annual Report 2014



Shares, Share capital and Owner relations

Share Capital

The Company's share capital amounts to 1 757 105,90 SEK.

Shareholders and shares

Number of shareholders amounts to 5553 and the number of registered shares 2015-09-30 was 17,571,059 according to the Swedish Companies Registration Office (Bolagsverket).

Shareholders	Number of shares	% of total
Försäkringsaktiebolaget, Avanza Pension	2 844 688	16,3%
SEB Venture Capital	1 267 435	7,3%
Stiftelsen Industrifonden	1 267 435	7,3%
Nordnet Pensionsförsäkring AB	1 137 247	6,5%
Handelsbanken Liv	1 101 852	6,3%
Clavister Förvaltnings AB	406 145	2,3%
AMF Aktiefond Småbolag	380 000	2,2%
Swiss Life AG	342 500	2,0%
Applied Vencap LLC	339 121	1,9%
UBS AG Clients Account	254 373	1,5%
Övriga	8 115 263	46,5%
Total registered shares	17 456 059	100,0%
Non registered shares*	115 000	
Total registered shares according to Bolagsverket	17 571 059	

All shares have the same voting rights. A share has one vote.

* Further 115,000 shares were registered at Euroclear after 2015-09-30

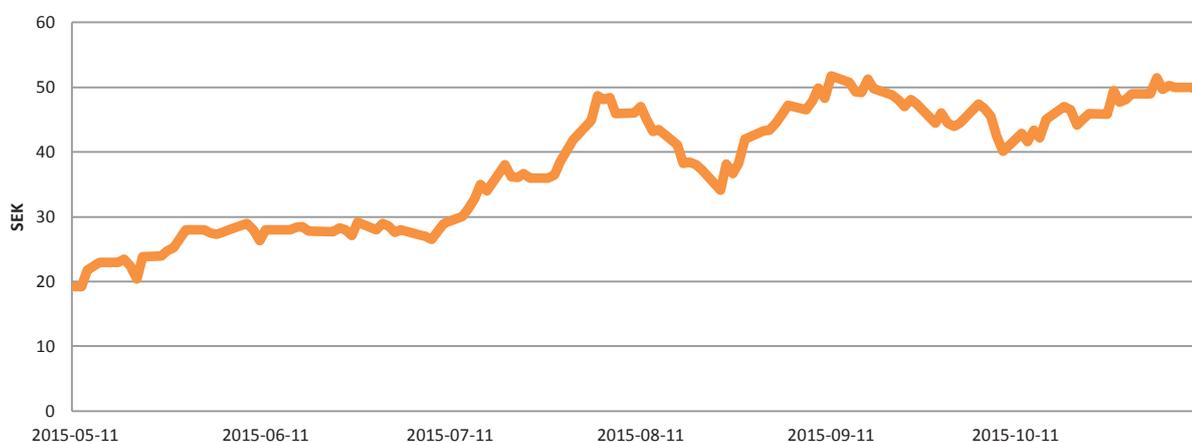
Shares, share capital and ownership

Changes in the number of shares during the period

Events	Number	Date
OB number of shares	16 353 513	2015-07-01
New share issue due to warrants	72 500	2015-07-31
New share issue (external investors)	857 143	2015-09-01
New share issue due to warrants	25 000	2015-09-01
Non-cash issue	6	2015-09-21
New share issue due to warrants	147 897	2015-09-21
New share issue due to warrants	115 000	2015-09-28
CB numbr of shares	17 571 059	2015-09-30
New share issue due to warrants	40 000	2015-10-07
Non-cash issue due to warrants	84 009	2015-10-07
New share issue due to warrants	76 250	2015-10-29
New share issue due to warrants	95 641	2015-11-18
CB number of shares	17 866 959	2015-11-20
Warrants to be subscribed in 2015	818 649	
Warrants to be subscribed in 2016	173 250	
Warrants to be subscribed in 2017	175 000	
Number of shares after full dilution	19 033 858	

Share price performance Clavister Holding over six months

Period 2015-05-10 – 2015-11-10



Shares, share capital and ownership

Share-based incentive programs

Warrants

There are six current incentive programs of which five addressed to the board and key individuals and one addressed to the lender. Pricing is based on the Black & Scholes option pricing model for the five programs addressed to the board and key individuals.

The holder of warrants is entitled, for each warrant, to subscribe to one new share in the company. The number of warrants issued amounts to a total of 1,823,196 units.

The approximately 1,3 million warrants, which expire at year-end 2015-12-31 provides a positive return of liquidity on 36 MSEK if fully subscribed, of which 508,400 have already been resolved. The redemption amount has provided the company with 13,3 MSEK. Total dilution for the three stock option plans is about 8,1%.

The Sixth the warrant program of 147,897 individual warrants together with those in June 2015, have been redeemed during the quarter, enabled by the financing debt with Harbert European Growth Capital Fund.

Warrants	Number of issued	Exercised	Open	Subscription price, SEK
TO 2013 - 2015-12-31	181 250	108 750	72 500	20
TO 2013 - 2015-12-31	464 250	179 650	284 600	25
TO 2013 - 2015-12-31	681 549	220 000	461 549	30
TO 2014 - 2016-12-31	173 250		173 250	30
TO 2015 - 2017-12-31	175 000		175 000	30
TO 2015 - 2025	147 897	147 897	0	0,10
	1 823 196	656 297	1 166 899	

Reasons for the incentive programs

Clavister believes it is positively positioned with a well-considered options program, targeted towards key persons, employees and directors of the company. The allocation is typically based on consideration, either in the form of a personal investment and / or in the form of targeted achievement. Furthermore, the main shareholders deemed it beneficial to the company and its shareholders that the directors have a financial interest in the company equivalent to the shareholders.

Convertible debentures

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

The promissory note which Norrland Fund holds is exhibited at Clavister Holding AB since the parties agreed to a set-off between Clavister AB Clavister Holding AB.



The Company

Background

Clavister is a Swedish company founded in 1997 that develops, produces and sells network security solutions for telecom and medium enterprises. Clavister's solutions are based on proprietary, innovative software with a very powerful performance and high quality.

Clavister started as a consulting company in Örnsköldsvik and ran at first custom software development to the defence 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. In 2002, Clavister launched Firewall 8.0 with a unique technical architecture which at the time was the fastest product of its kind on the market. Today the company offers a broad product portfolio and extensive technical services specialist bundled to meet customer needs.

Current Status

Security, and network security in particular, are business areas that are greatly expanding globally. The balance between personal integrity, efficiency, flexibility and security are some aspects that make the industry complex. In a world of constant technological development, the way in which way we communicate demands far more advanced and powerful network security solutions that do not detract from efficiency and safety, and that really protects personal privacy.

Clavister today, has a strong position in the market for network security. Developments in the telecom industry exhibit a particularly strong development potential, and it is here that Clavister has the right technology, strong business partnerships and a clear vision. The assessment is that a demand for advanced network security solutions in telecommunications will increase strongly, as well as the deployment of fourth generation mobile networks (4G / LTE) which is implemented to meet the sharply rising volumes of traffic generated by more people are using smart phones. For SMEs Clavister is robustly positioned with a well-designed and attractive product portfolio, large existing customer base and a business model that attracts our customers.

Overall Strategy

Clavister's strategy is to create value for its customers, shareholders and other stakeholders by continuously developing and refining the unique technology and products deployed in networking security, and to achieve business success in the segments of SMEs as well as in the telecom area.

The Company

Group Structure

The group includes four companies with Clavister Holdings AB as the parent company. The Group has a total of 125 employees. Clavister Holdings AB conducts a limited part of the Group's activities such as managing the company's shares and related activities towards investors. The subsidiary Clavister AB is the absolute majority of the Group's operations such as sales, production and software development. The company manages the absolute majority of the employees and agreements with its customers, partners and suppliers.

Clavister APAC Ltd. in Hong Kong currently has no employees, while the numbers of employees in Clavister China Ltd. are 33 persons. Business is conducted in six different cities; Beijing, Xi'an, Zhengzhou, Shanghai, Chengdu and Guangzhou.

Clavister Holdings AB (publ.) is headquartered in Örnsköldsvik. Product management, product and software development, finance, administration, logistics, warehousing and support are located at these premises. The main sales office is located in Stockholm. The company has also acquired an office in Umeå since first of November, with employees in software development and customer support. The company has been listed on NASDAQ First North since May 2014.



Calendar

Nomination committee

December 1, 2015; Deadline for application to participate in nomination committee –

The Company shall have a Nomination Committee consisting of one (1) member representing each of the four (4) major shareholders and / or shareholder groups and the Chairman.

Groups who wish to participate in the nomination process will by December 1 provide notice thereof to the Company's Chairman, Björn Norrbom at finance@clavister.com. The four (4) major shareholders and / or owner groups will then be contacted by the Chairman.

Year-end Report

October- December 2015; March 8, 2016

AGM

April 21, 2016 at 13:00 in Örnköldsvik

Örnköldsvik 24th of November, 2015

Clavister Holding AB (publ.)

Board of Directors



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Shares

Shortname: CLAV
ISIN-code: SE0005308558

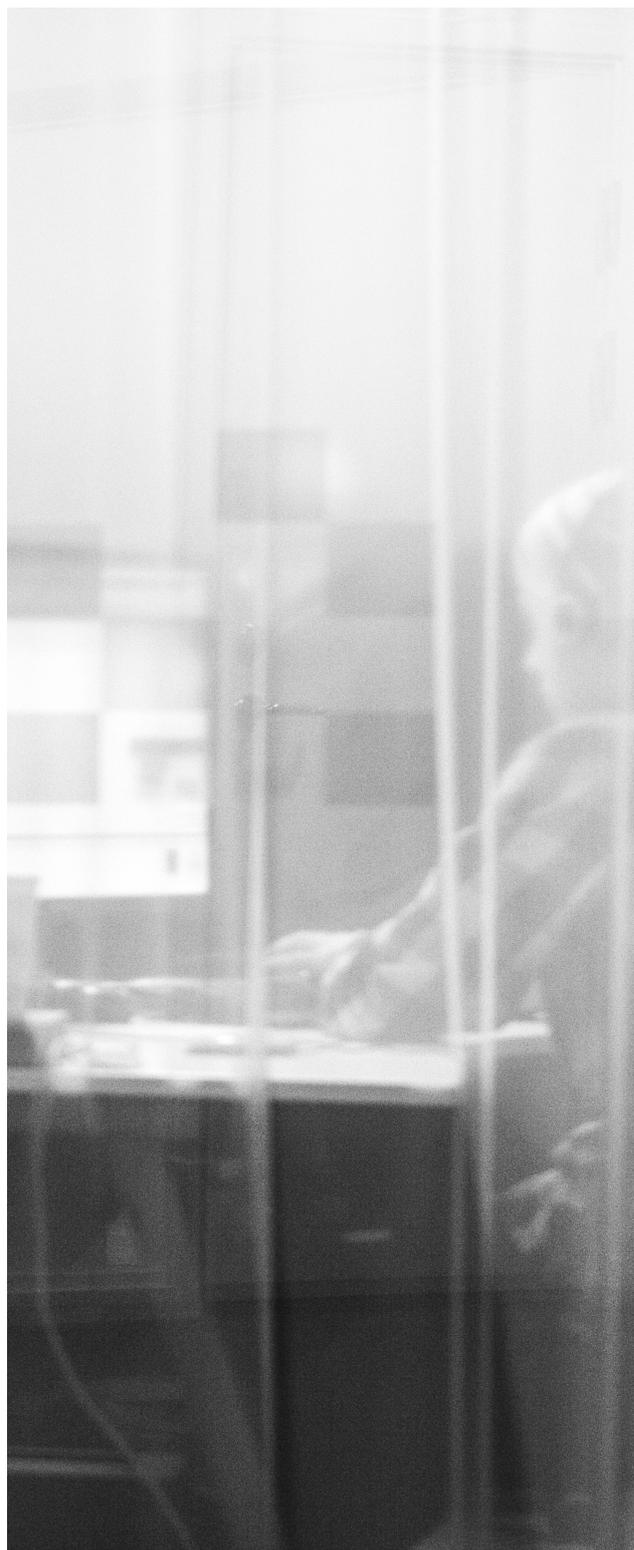
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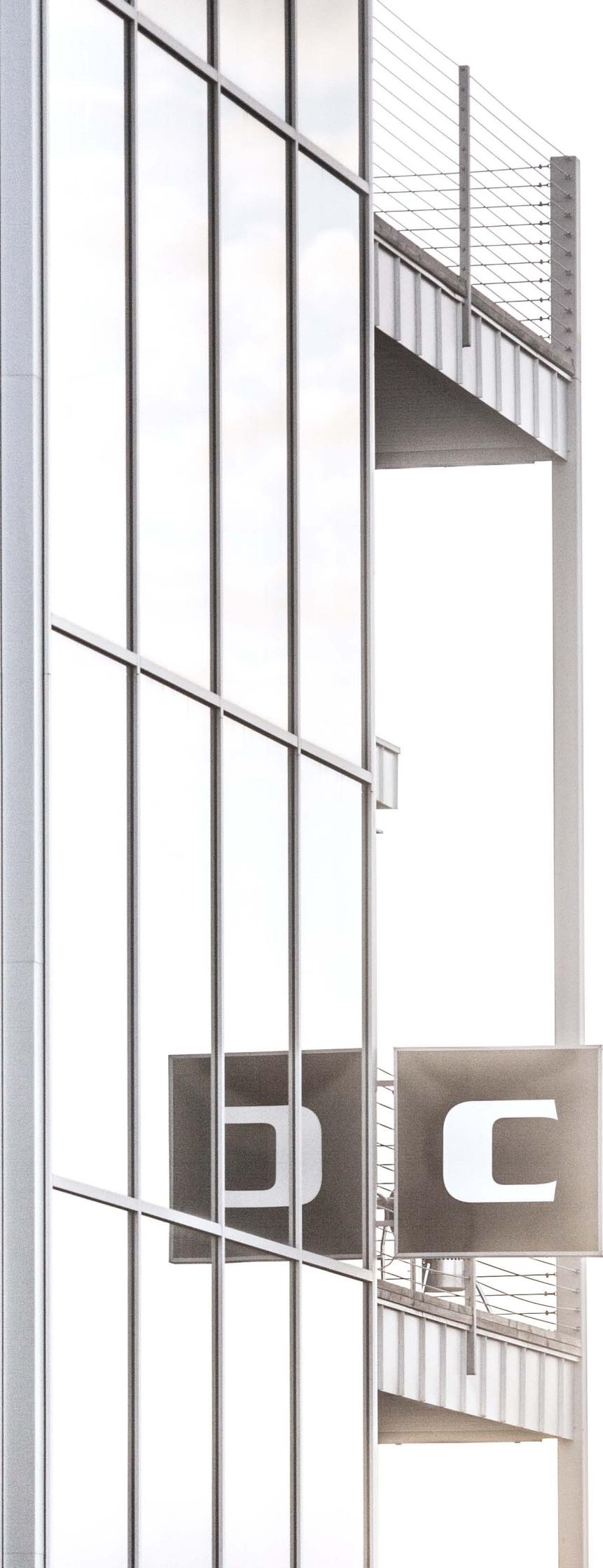
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