

CLAVISTER®

Year-end Report

2015-01-01 – 2015-12-31
Clavister Holding AB (publ.)

Turnover for the second half compared to the first half of 2015, + 72 % and with a continued positive trend ...

- Revenues for the quarter totaled SEK 20,5 MSEK (22,2), a decrease of -8 % in the fourth quarter year over year but an increase of +2% versus the third quarter. Second-half annual sales exceeded the first-half by 72%.
- Gross profits amounted to SEK 13,5 MSEK (16,8) for the fourth quarter and the period's gross margin totaling 66% (76). Last year's gross profit and margin were positively affected by a reversal of a provision of 4,3 MSEK, equivalent to 5 percentage points.
- The Profit after tax amounted to SEK -1,0 MSEK (-3,1)
- Cash and cash equivalents at the end of the quarter amounted to SEK 43,5 MSEK (11,7), after the addition of proceeds of 27,4 MSEK related to the redemption of warrants.

Financial figures group	3 months			12 months		Change
	Oct - Dec			Jan - Dec		
MSEK	2015	2014	% (Y/Y)	2015	2014	% (Y/Y)
Net sales	20 502	22 217	-8%	64 200	62 263	3%
Gross profit	13 448	16 809	-20%	44 589	50 003	-11%
Gross margin	66%	76%		69%	80%	
EBIT	-13 223	-13 174	0%	-55 260	-44 870	-23%
Net profit (loss)	-1 022	-3 144	67%	-46 011	-35 797	-29%
Result per share (SEK)	-0,06	-0,19		-2,64	-2,19	

* Gross profit in 2014 included a reversal of provision for +4,3 MSEK.

Strategic partnerships strengthen Clavister's long-term development

- During March 2016, Clavister closed an important technological partnership with the Swedish security company PhenixID in the Enterprise sector. The partnership will strengthen the company's existing product offering, by adding a demand identity management service (2FA) and furthermore Clavister acquires approx. 29% of PhenixID.
- The signing of the partnership agreement with Defis & Strategies Group, enables Clavister positioning in the growing African market, a continent whose IT security market is expected to grow to 2,3 billion by 2020.
- Clavister has conducted a private placement of 21,2 MSEK enabling acceleration of investments, among others linked to the cooperation with Nokia Networks.
- The company's turnover during the period from January to February 2016 exceeds that of the corresponding period last year by 60%.

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

We continue according to plan, building Clavister as a significant supplier in the field of security. We have continued to invest time and resources to ensure our delivery capacity and it will continue in 2016.

During 2015, we announced signing of a number of large and important contracts in both the telecoms and enterprise arena. These are important steps for us and means that we begin to execute according to our joint plans and that in the near future we will begin to see a clear impact on our bottom line.

After 8 months of intensive effort, we signed the agreement with Canon, the world's second largest market, and one of the largest providers of security. Under the agreement, Canon will market and sell Clavister security solutions for the benefit of "two competing products". Canon has launched a nationwide road show where, during 2016, they will visit over 50 (fifty) locations. They will also invest 30 MSEK yen in the marketing of Clavister in 2016. According to their own assessment over the next four years, the smallest selling profile Clavister products (E20/E80) of about 20 billion yen. (Today this constitutes our smallest product sector of about 20% of our total sales). The agreement with Canon is an important part of Clavister's channel strategy, working with larger and global systems integrators. Canon has also begun signing contracts for evaluating the larger systems, one small order have been made in the month of January.

It creates a good feeling that **Nokia has now officially communicated its plans** to launch security solutions based on Clavister's technology. It has "been in the air" since the second quarter of 2015, and it feels very good that we are now, to some extent, able to talk about our cooperation and the solutions Nokia will offer. The software-based virtual security solutions that we develop together with Nokia are of strategic and commercial value for both parties.

Further proof that our virtual security solutions hold the forefront is our cooperation agreement signed by NEC and NetCracker. The cooperation agreement was signed after a long period of extensive testing and evaluations. We will work with NEC and NetCracker deliver our safety technology in the strategically important area of SDN and NFV.

Artesyn launched in the fourth quarter, offering its first solutions based on our virtualized security.



Jim Carlsson, VD Clavister.

CEO's comments

In telecom, we have a handful of commercial opportunities, but these are in an early phase.

As part of our investment in Africa, we have taken over parts of Stonesoft's Africa team. We have also employed Mounia Benbouzid. Mounia possesses 20 years of experience in the export of Swedish solutions to the African Market. We will initially focus on the 16 French-speaking countries. The market for high-performance network security is expected to grow substantially in the coming years, reaching \$ 2,3 billion in 2020. Moreover, our "Swedish origins" are a welcome addition as an alternative to Chinese and American suppliers.

Strategic technological cooperation, broadening the product offering:

In order to further strengthen our offering in the security field, we have signed a strategic cooperation agreement with a Swedish security company, PhenixID. The partnership means that we will be adding identity management to our existing security offering. Simply put, we can now also ensure that the right person / thing gets access to the application/service. Furthermore, it will be a prerequisite for the development of IoT (Internet of Things). You will need to ensure that each device (webcams / cars / industrial systems / energy) has a secured identity that cannot be manipulated before the connection is made.

In connection with the signing of the cooperation agreement, Clavister will also acquire approximately 29% of PhenixID. We will see the effect in our sales already in the next six month period. The market for secure login, or what one might term "Identity Awareness" is expected to grow by 17,7 % annually and be worth nearly \$ 10 billion in 2020 (source: rnrmarketresearch.com).

Results – We are producing a turnover in the second half of the year exceeding the first six months by 72%. The fourth quarter exceeds the third by 2%, but is 8% above for the same quarter of the year before. For the first two months, 2016 sales have increased by 60% compared with the same period last year.

Gross margins have declined in the fourth quarter primarily due to a change in product mix. However, this is temporary because generally, over time we will be moving towards a higher degree of software-based sales (no hardware) with a significantly improved gross margin. As an investment, implied inroads in Japan, margins can however, in the short term, be impacted negatively.

Finance – Our liquidity is good, with 43,5 MSEK in cash at the end of the year and we are well prepared for the investment required to grow the business and realize the potential of the company's unique position in terms of products, technological cooperation and personnel. At the New Year, 3 stock option programs expired, which strengthened the cash position by 27 MSEK. Nevertheless an additional private placement took place in February for 21 MSEK. The aim is to ensure that the company can take the right decisions in the long term as we build the business further. Interest from the partners remains considerable.

We previously announced that the company intends to seek listing on the regulated market in 2016. The process has begun with good interest in the ongoing procurement of Advisors.



From the desk of,
Jim Carlsson, Clavister CEO

<http://www.rnrmarketresearch.com/multi-factor-authentication-market-by-modeltype-two-three-four-five-factor-application-banking-finance-healthcare-government-defense-travel-immigration-consumer-electronics-comme-market-report.html>

Events

Important events during the period (October – December 2015)

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

Clavister launched a new version of the operating system security Cos Core Version 11.00, which improves VPN and Web filtering functionality and increases performance dramatically in some products. A number of new functions are positively affected, including enhanced anti-spam and protection against malicious links. A “multi-core” architecture increases the “plain-text” performance by up to 100%. Using the Intel Quick Assist 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 for the Japanese market (2015-10-06)

Clavister concludes a distribution agreement with Canon IT Solutions to deliver security technology to the Japanese market, the world’s second largest IT security market. Initially, an order of 1,4 MSEK has been signed. Canon IT Solutions has a significant share of the Japanese market for security products, amounting to \$360 MSEK. Canon IT Solutions starts 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 of 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 the family Hamberg and Kling. Both have thus increased its stake after the share issue that took place in August 2015. The seller is SEB Venture Cap and Industrial Development Fund. Senior management has increased its ownership in Clavister of 150,900 shares in connection with the exercise of warrants. Furthermore, Harbert European Growth Capital Fund, lenders to Clavister, redeemed 147,897 warrants.

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

Clavister announced by an earlier memo, that it has signed 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 JPY, corresponding to approximately 170 MSEK, during the years 2015-2020, excluding the sale of any additional “high end “ products and solution areas.

(Not to be considered a forecast because the agreement does not contain any guarantees on certain sales of Clavister products)

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

The partnership enables a significantly increased system flexibility for Clavister’s security solutions using the Wind River environment, amongst others, mobile operators.

Artesyn launches new security platform based on Clavister Software (2015-11-05)

Artesyn launches new security platforms based on Clavister software, with world-class performance and significantly lowering the cost of deployment and installation of a security platform in virtualized solutions.

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

By contracting with EPiServer, Clavister has aligned with a leading provider of digital marketing and e-commerce solutions, and retained continued confidence to deliver network security solutions. EPiServer uses Clavister 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.

Clavister increases performance for 4G / LTE networks with up to 500% (2015-12-18)

Clavister increases the VPN performance by up to 500% for both physical and virtual devices in its latest version of Cos Stream, this is achieved by taking advantage of Intel’s Quick Assist Technology. Clavister positions itself as a leader in high-performance network security, releases its latest version of Cos Stream, a polycentric security operating system, designed specifically for telecom providers, which improves performance by up to 500% compared to the previous versions.



Events

Important events after the period (January – March 2016)

Changes in ownership and number of shares in the Clavister (2016-01-12)

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

Clavister launches high performance firewall for telecom networks with extreme capacity requirements (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 network.

Clavister and Nokia Networks collaborate in virtual “next generation” security (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 21,2 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 and Artesyn demonstrate ‘Next Generation Virtualized Security’ at Mobile World Congress (2016-02-11)

Clavister and Artesyn Embedded Technologies demonstrated the ‘next- generation Virtual Security Gateway solution ‘ for mobile operators and Cloud providers at Mobile World Congress 2016.

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 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 broadens its customer offering in Enterprise Solutions (2016-03-08)

Clavister expands the addressable market through strategic partnerships with PhenixID and thus includes identity management into its existing security portfolio.

Clavister acquires approx. 29% of PhenixID (2016-03-08)

Clavister acquires approx. 29% holding in the Swedish company PhenixID, working with identity management. The acquisition relates to further strengthen the strategic cooperation between the companies.

Financial Information

Sales and Earnings

Fourth quarter sales in 2015 amounted to 20,5 MSEK (22,2), which is an increase compared to the third quarter by 2%, a decrease of 8% compared with the fourth quarter of 2014. Gross profit for the fourth quarter of 2015 ended at 13,5 MSEK (16,8).

The company can also state that the first two months started with a sales increase equivalent to +60% year-over-year, of which sales in EMEA with the Nordic countries, Germany, Benelux and Italy is an increase of 111% year-over-year.

Gross margin in the quarter was 66% (76) for the full year landed at 69% (80). For the full year 2015, gross profit was 44,6 MSEK (50,0).

Operating profit for the period summed -13,2 MSEK SEK (-13,2) and for the full year amounted to -55,3 MSEK (-44,9). Profit for the period was -1,0 MSEK (-3,1). Profit after tax for the full year amounted to -46,0 MSEK (-35,8) and, like in 2014 had a positive effect on deferred taxes on losses carryforwards. See further equity on pg. 15.

Sales

Sales in Europe summarized to 11,9 MSEK (13,9) in the fourth quarter, of which Germany and the Benelux countries are at the same level of sales as in 2014, while those in France, Nordic and Italy reduced. Sales in Germany for the year, continue with good growth of 50% year-over-year, and 23% for the Nordic countries and 16% for Benelux. Investments in sales and marketing resources have proven to give good returns on the top-line in Germany.

Asian sales increased in the quarter by 8% to 5,6 MSEK (5,2), but remain at the same turnover as for 2014, of 14,3 MSEK for the full year 2015. Sales in China have been affected by the Chinese economy's slowdown at the beginning and mid-year 2015, but they are now showing signs of recovery in the fourth quarter and ending at 4,9 MSEK (3,5), which is an increase of 29%. China landed full-year sales of 10,6 MSEK (11,3), i.e. a decrease of -6%. With regard to Japan and the Canon customer, which is the company's largest customer in that country, the turnover for the full year 1,7 MSEK (0,0) and which looks like having an interesting continuation for Clavister.

Curiosity and interest in network security and for our portfolio of products has never been greater, but it still seems as if the sales cycle from first contact, signed contract, until the customer places orders, extended forward in time, which affected the overall turnover. The Global sector OEM-accounts, which amounts to 1,9 MSEK (3,0) for the period and the full year 2015 decreased by -31% compared to 2014. Another reason for the decline is a new contractual arrangement with Regus where sales now occur evenly distributed over the entire contract period, compared to the previous operational method. The change has been a negative one-time effect on the revenue of -1,9 MSEK for the full year. The shift of revenue from Regus will be picked up in 2016 and onwards.

Sales - geographical distributions

TSEK	3 months			12 months		
	Oct - Dec			Jan - Dec		
	2015	2014	% (Y/Y)	2015	2014*	% (Y/Y)
Nordics	5 851	6 362	-8%	15 617	12 730	23%
EMEA excl. Nordics	6 044	7 579	-20%	20 248	18 264	11%
America	196	376	-48%	1 321	1 121	18%
Asia	5 616	5 182	8%	14 278	14 300	0%
Global Acc. and OEM	1 910	2 959	-35%	9 676	14 008	-31%
Net Sales	19 617	22 458	-13%	61140	60423	1%
Other	885	-241	-467%	3059	1839	66%
Total Revenue	20 502	22 217	-8%	64 199	62 262	3%



Financial Information

Impact of Foreign Exchange

In the fourth quarter, sales increased by 2% compared with the previous quarter. When comparing the fourth quarter of this year and the previous year, the currency impact has had a positive effect of 1,5 percentage points. Sales during the year increased by 3% compared with the previous year, foreign exchange impacted positively by 1 percentage point. Taking into account the currency impact in China alone there will be a positive currency impact of 6 percentage points.

Gross Margin

Gross margin was 66% lower in the fourth quarter of 2015, compared to the previous quarter, which showed 74%, 72% and 69% respectively. The cause can be attributed, amongst other things, to a change in the product mixture, where smaller products with a lower gross margin account for a larger proportion of sales. Sales in China increased during the quarter and exceeded expectations, but the gross margin is at a lower level than before, which also affects the margin for the company as a whole in the fourth quarter. Although the renewal of royalty agreements was undertaken, with a higher proportion of fixed sums in preference to the variable sums of before, hit the short term margin, but the increased sales provided a direct positive margin enhancement. Gross margin for the full year 2014 was 80%, but the return of a provision of +4,3 MSEK which influenced the cost of goods for resale positively, and therefore also gross profit and margin to the corresponding of +5 percentage points. If gross margin was adjusted for this it has to have been at 75% for 2014, compared to 69% for the full year 2015.

Operating Expenses

The company anticipates the continued need for investments mainly in software development, support and sales. Capitalized development costs increase because the number of new software developers recruited has increased. Until December 2015, the working capacity increased by 27% compared with 2014.

Recruitment of software developers has been intense during the autumn but the effects have not yet begun to show themselves so clearly in the figures because it takes time before the new employee is onboard. Since the New Year started, the company has incorporated more than 10 new employees. Personnel costs in 2015 rose to 19,9 MSEK (18,8), or by 6% year on year and the number of employees has increased from 113 to 124, i.e. 10 %, of which the subsidiary in China declined by 1 employee. From the beginning of the year 2015, the cost of personnel increased by 11% to 71,0 MSEK (63,9), or by 7,1 MSEK.

Other external expenses amounted to 8,5 MSEK (11,4) in the fourth quarter and mainly relate to marketing expenses, sales commissions and purchases of external consultants and legal services. The decrease in the period is 2,9 MSEK, which is caused by a major consulting project in 2014.

Investments, capitalization and amortization

Investments in tangible fixed assets were not made during the period. The Company continues to make significant investments in software development and in recruitment during the quarter, capitalized expenditures for development amounted to 67% of the company's total cost of development. Total capitalized expenditures for the period October to December 2015 was 5,6 MSEK (2,2). For the full year, capitalized development costs amounted to 17,7 MSEK compared to 13,9 MSEK for 2014. During the fourth quarter, depreciation of tangible assets was -0,2 MSEK (+0,4) and amortization of intangible assets, mainly relating to earlier capitalizations, amounted to -3,6 MSEK (-2,4).



Financial Information

Cash flow

Cash flow during the period October to December 2015 amounted to +10,3 MSEK SEK (-10,6). This can be summarized by;

- -13,9 MSEK(-13,5) refers to the company's operating profit after financial items, +3,8 MSEK relates to adjustments for depreciation and amortization, which do not affect the cash flow, 0,2 MSEK relates to taxes paid and 1,7 MSEK relates to the period's change in working capital. Together, the change in cash flow from operating activities, including changes in working capital, total-12,0 MSEK (-10,6).
- Cash flow relating to investments and intangible assets amounted to-5,6 MSEK (-1,6).
- Cash flow for financing activities amounted to +27,9 MSEK for the period, of which 27,4 MSEK relates to a new issue of warrants redeemed.

Liquidity and Financial Position

Cash and cash equivalents at end of the period amounted to 43,5 MSEK (11,7).

The Company's hedging of several heavy contracts guarantees an improved circulation and thus a gradual reduction in the rate of consumption of cash. The 1,3 MSEK warrants were due to expire at year-end, have been 100% redeemed, have strengthened the cash holding in the fourth quarter by 27,4 MSEK. In February 2016, there was a private placement to external investors of 21,2 MSEK. In parallel however, the increasing customer interest is resource-intensive and entails not only further investment in software developers but will also require additional recruited positions in sales and in the rest of the organization. In the light of above, the company regards that the financial position as good.

Additional information regarding the rights issue made in February 2016 and the redeemed warrants can be found under the heading Shares, Share Capital and Ownership Structure on pg. 8.

Equity

Shareholders' equity amounted 2015-12-31 87,8 MSEK (67,8). The opening balance of the third quarter was 62,3 MSEK, and as at the end of the fourth quarter increased to 87,8 MSEK . The increase is attributable to the redeemed warrants totaling 27,4 MSEK.

See the heading Accounting Principles and Transition to K3 in the annual report for 2014 and the Year-end report for 2014, www.clavister.com/investor-relations/financial-documents/.

Disputes and Litigation

Clavister AB has received a subpoena from the customer, which was 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 is contesting the citation in its entirety. Clavister has submitted a petition to the district court in July and a final opinion 2015-12-11. Any costs are covered by the company's business insurance.

Audit

The year-end 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

The Board proposes that no dividend be paid for the financial 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 2014 and the website 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, 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 the impact on the financial position.

The company in China invoices and reports 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 against the US dollar, caused the value to fall against the SEK and is now positioned at about the same level as at the beginning of the year 2015. 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. Changes to the policy decisions or tax situation are additional risks in China which should not be neglected.

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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 2015-12-31 was 124 (113) of which 31 (29) are in Clavister China. The increase in personnel was 10%. The parent company Clavister Holding AB, with limited operations, employed one additional employee. 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 Örnköldsvik. 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 Oct - Dec		12 months Jan - Dec	
	2015	2014	2015	2014*
Net sales	20 502	22 217	64 200	62 263
COGS	-7 054	-5 408	-19 611	-12 260 **
Gross profit	13 448	16 809	44 589	50 003 **
Gross margin, %	66%	76%	69%	80%
Cap. Dev. Expenses	5 551	2 213	17 716	13 913
Staff costs	-19 908	-18 782	-70 989	-63 902
Other external costs	-8 487	-11 368	-31 270	-29 091
Depreciation and impairment loss	-211	351	-675	-693
Amortization and impairment loss	-3 616	-2 397	-14 631	-15 100
EBIT	-13 223	-13 174	-55 260	-44 870
Financial items	-670	-320	-3 587	-1 171
Result after financial items	-13 893	-13 494	-58 847	-46 041
Taxes	12 871	10 350	12 836	10 244
Net profit - loss	-1 022	-3 144	-46 011	-35 797
<i>Average number of shares</i>	<i>18 054 509</i>	<i>16 321 646</i>	<i>17 429 802</i>	<i>16 321 646</i>
<i>Average number of shares (after dilutive effect)</i>	<i>19 069 426</i>	<i>18 315 362</i>	<i>18 444 719</i>	<i>18 315 362</i>
<i>Result per share, SEK</i>	<i>-0,06</i>	<i>-0,19</i>	<i>-2,64</i>	<i>-2,19</i>
<i>Result per share (after dilutive effect), SEK</i>	<i>-0,05</i>	<i>-0,17</i>	<i>-2,49</i>	<i>-1,95</i>
Balance sheet (TSEK)		2015-12-31		2014-12-31*
Intangible assets		35 064		31 772
Tangible assets		1 565		2 256
Financial assets		49 971		37 468
Inventories		5 593		5 551
Current receivables		6 012		12 279
Cash and bank balances		43 527		11 655
Total assets		141 732		100 981
Equity		87 843		67 830
Provisions		0		0
Long-term liabilities		18 157		8 852
Current liabilities		35 732		24 298
Equity and liabilities		141 732		100 981
Pledged assets **		42 320		11 836
Contingent liabilities		13 470		13 470

* Comparison figures are according with the adopted Annual Report 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 Group

Equity (TSEK)	3 months Oct - Dec		12 months Jan - Dec	
	2015	2014	2015	2014*
Equity, beginning of period	62 273	70 514	67 830	70 894
Cash issue	15 347	0	54 089	34 000
Non-cash issue	11 606	0	11 606	
Issue expenses	-400	0	-400	-2 350
Non-registered issue	380	0	380	
Share-based compensation	0	137	0	137
Translation difference	-341	323	349	946
Result for the period	-1 022	-3 144	-46 011	-35 797
Equity, end of period	87 843	67 830	87 843	67 830

Cash flow analysis (TSEK)	3 months Oct - Dec		12 months Jan - Dec	
	2015	2014	2015	2014*
Cash beginning of period	33 186	22 295	11 655	44 496
Profit (loss) after financial items	-13 893	-13 494	-58 848	-46 041
Adjustments for non-cash items, etc.	3 829	-572	15 310	13 175
Paid taxes	-195	363	-752	180
Cash flow from operating activities before working capital changes	-10 259	-13 703	-44 290	-32 686
Change in W/C	-1 723	3 112	1 907	-14 050
Cash flow from operating activities	-11 982	-10 591	-42 383	-46 736
Investments in intangible assets	-5 551	-1 622	-17 716	-14 915
Cash flow from investing activities	-5 551	-1 622	-17 716	-14 915
Cash flow from financing activities	27 874	1 573	91 971	28 810
Cash flow	10 341	-10 640	31 872	-32 841
Cash, end of period	43 527	11 655	43 527	11 655

* Comparison figures are according with the adopted Annual Report 2014

Financial Information

Parent

	3 months		12 months	12 months
	Oct - Dec		Jan - Dec	Jan - Dec
Income statement (TSEK)	2015	2014	2015	2014*
Net sales	1 710	360	3 400	1 440
Staff costs	-242	-383	-952	-462
Other external costs	-345	-407	-1 312	-1 323
EBIT	1 123	-430	1 136	-345
Financial items	-143	149	-581	145
Result after financial items	980	-281	555	-200
Taxes	10	15	10	15
Net result	990	-266	565	-185

Balance sheet (TSEK)	2015-12-31	2014-12-31*
Financial assets **	298 979	244 124
Current receivables	1	31
Cash and bank balances	21 515	7 272
Total assets	320 495	251 427
Equity	311 008	250 452
Long-term liabilities	8 780	0
Current liabilities	708	975
Equity and liabilities	320 495	251 427
Pledged assets **	300 647	0
Contingent liabilities	18 781	0

* Comparative figures are according to the adopted Annual report 2014

** Clavister AB has during the second quarter raised loans, where the security in principle consists of shares in of above.

Financial Information

Parent

Equity (TSEK)	3 months Oct - Dec		12 months Jan - Dec	
	2015	2014	2015	2014*
Equity, beginning of period	287 211	250 590	250 452	213 759
Cash issue	17 444	0	54 086	34 000
Non-cash issue	5 382	0	5 923	5 092
Issue expenses	-400	0	-400	-2 350
Non-registered issue	380	0	380	0
Share-based compensation	0	137	0	137
Result for the period	991	-275	566	-185
Equity, end of period	311 008	250 452	311 008	250 452

* Comparative figures are according to the adopted Annual report 2014



Shares, Share Capital and Ownership

Shares

The company's share capital amounts to 1 853 795,8 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 6007 owners (5400) as of 2015-12-31. On this date, the number of registered shares was 18,537,958 according to the Swedish Companies Registration Office (Bolagsverket).

Shareholders	Number of shares	% of total
Försäkringsaktiebolaget, Avanza Pension	2 835 521	15,7%
Nordnet Pensionsförsäkring AB	971 300	5,4%
Swedbank Robur	917 435	5,1%
Swiss Life AG	699 750	3,9%
Danica Pension	646 087	3,6%
Handelsbanken Liv	546 292	3,0%
Banque Öhman S.A	467 316	2,6%
SEB Venture Capital	458 717	2,5%
Stiftelsen Industrifonden	458 717	2,5%
AMF Aktiefond Småbolag	380 000	2,1%
Övriga	9 622 774	53,4%
Total registered shares	18 003 909	100,0%
Non registered shares*	534 049	
Total registered shares according to Bolagsverket	18 537 958	

* Further 534, 049 shares were registered at Euroclear after 2015-12-31

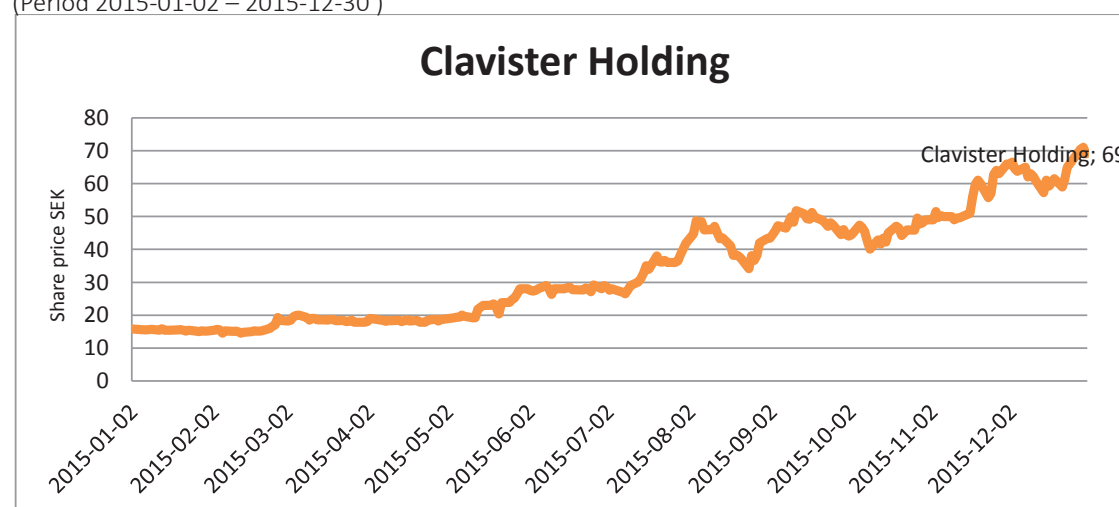
Shares, Share Capital and Ownership

Changes in number of shares during the quarter

Events	Number	Date
OB number of shares	17 571 059	2015-10-01
New share issue due to warrants	40 000	2015-10-07
Non-cash issue	84 009	2015-10-07
New share issue due to warrants	76 250	2015-10-29
Non-cash issue	95 641	2015-11-18
Non-cash issue	136 950	2015-12-15
New share issue due to warrants	534 049	2015-12-30
CB number of shares	18 537 958	2015-12-31
New share issue due to warrants, prg 2015-12-31	147 650	2016-01-25
New Shares issue	400 000	2016-02-16
CB number of shares	19 085 608	2016-03-04
Warrants to be subscribed in 2016 warrants	173 250	
Warrants to be subscribed in 2017 warrants	175 000	
Warrants to be subscribed in 2017 convertible debentures	666 667	
Number of shares after full dilution	20 100 525	

Share price performance 2015

(Period 2015-01-02 – 2015-12-30)



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 2015-12-30 share price was 69 SEK and market capitalization (Mkt Cap) amounted to 1,279,119 thousand.

Shares, Share Capital and Ownership

Share-based incentive program

Warrants

There are two current incentive 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 numbers of warrants issued are 348,250.

The incentive programs which were due to expire at year-end, received subscription of shares and the cash impact were plus 35 MSEK. Total dilution for the three overdue programs of warrants is about 8%.

Warrants	Number of issued	Exercised	Subscription price,	
			Open	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	

Reasons for the incentive program

Clavister anser att det är positivt med väl avvägda optionsprogram riktade till nyckelpersoner, anställda och styrelse i bolaget. Tilldelningen har baserats på motprestation, antingen i form av en egen investering och/eller i form av måluppfyllelse. Vidare har huvudaktieägarna bedömt att det är till gagn för bolaget och dess aktieägare att styrelseledamöterna har ett ekonomiskt intresse i bolaget jämförligt aktieägarnas.

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. 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.

Clavister has a strong position in the market for network security. Developments in Telecom has a particularly strong development potential because Clavister technology is well suited to the purpose, combined with strong business partnerships that the company managed to achieve with several major customers. The assessment is that demand for advanced network security solutions in telecommunications will increase strongly as well as the deployment of fourth generation mobile networks (4G / LTE), implemented and characterized partly by the sharply rising volumes of traffic as more and more people are using smart phones.

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 and developing the unique technology and products to meet network security based on customer needs. This creates business success in the prioritized segments of medium Enterprises as well as in the Telecom area.

The Company

The Group

The group comprises four companies with Clavister Holding AB as the parent company. The Group has a total of 124 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 31 individual employees. Business is conducted in six different cities; Beijing, Xi'an, Zhengzhou, Shanghai, Chengdu and Guangzhou.

Clavister Holding AB (publ.) is headquartered in Ornskoldsvik. There are product management, product and software development, finance, administration, logistics, warehousing and support. 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.



Calendar

Quarterly Report

January- March 2016; May 11, 2016

Annual General Meeting (AGM)

April 21st, 2016 at 13:00 in Örnköldsvik

Annual Report 2015 will be available on March 31st, 2016.

Örnköldsvik 8th March, 2016

Clavister Holding AB (publ.)

The Board



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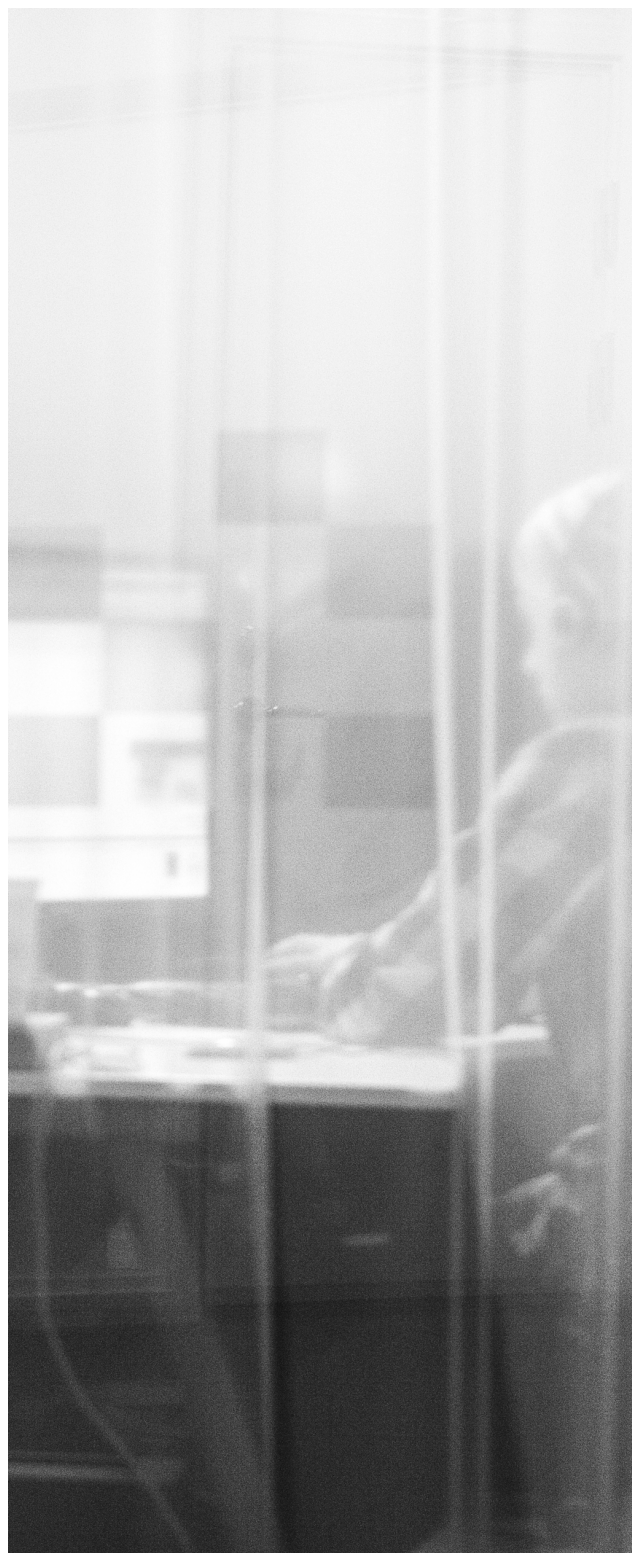
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