INTERIM REPORT

APRIL - JUNE 2018

Clavister develops, produces and sells cyber security solutions. The company was founded in 1997 and has its headquarters in Örnsköldsvik, Sweden. Clavister's solutions are based on proprietary and innovative software with market-leading performance. Proprietary software provides solid gross margins and price competitiveness, especially in mission-critical business applications.

Second Quarter 2018

- Order intake for the quarter amounted to 29.9 (21.4) MSEK, equalling a growth by 40% compared to the corresponding quarter last year
- Revenues amounted to 26.8 (21.4) MSEK, an annual increase by 25%
- Gross profit amounted to 19.1 (17.0) MSEK, equalling a gross margin of 71 (80)%
- EBIT amounted to -27.4 (-23.6) MSEK
- Result after financial items for the period amounted to -34.4 (-24.6) MSEK
- Cash by the end of the period was 65.3 (29.6) MSEK
- Earnings per share amounted to -1.68 (-0.84) SEK.

Events during the Quarter

- During this quarter Clavister established a subsidiary in Germany. The establishment is in line with Clavister's growth strategy, which includes an increased focus on the important DACH-region (Germany, Austria and Switzerland).

- Clavister received during the quarter an additional order from a broadband operator, who is implementing Clavister's virtualized security solutions for their worldwide network deployment. This new order was for two of their datacentres.

- During the quarter, a key Japanese customer, Canon IT Solutions, placed an additional Clavister E10 order worth 1.7 MSEK.

Summary in figures (TSEK)	**Apr - June 2018**	**Apr - June 2017**	**Jan - June 2018**	**Jan - June 2017**	**Jan - Dec 2017**
Operating revenues	26 818	21 352	49 637	41 931	100 206
Gross profit	19 065	17 015	36 512	33 590	77 512
Gross margin	*71%*	*80%*	*74%*	*80%*	*77%*
Operating profit	-27 384	-23 586	-54 358	-41 865	-76 910
Operating margin	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*
Number of employees	177	161	177	161	155

Comments by the CEO

On the back of our continued focus to expand and optimize our sales organization we can report an order intake of 30 MSEK, an increase of 40% compared to the same quarter last year. With the level of sales achieved after the first six months of the year, we are delivering revenue growth according to our internal business plan as approved by our board and our financiers. Our focus markets provided the largest growth, with the Nordics and Japan reporting order intake increases of 67% and 149%, respectively, and with the DACH region providing an almost doubled growth (+97%).

Following our plan, we have continued to expand our sales force and welcomed around ten new members to our international sales teams. An important growth factor along with our own sales capacity is the quality and extent of our reseller network. During the second quarter, we extended our network with eleven new partners and entered into contracts with new distributors; for instance MoreTeq in the Benelux, SensaTek in Australia and BlueWorks in Mexico. Shortly after the quarter end, we also contracted Pedab as new distributor, who we believe will become a very valuable sales channel for us, specifically in the Nordics.

In order for our sales people and our resellers to maximize their sales productivity, there is a clear need for a solid marketing organization, which can drive a steady influx of prospect customers through a wide range of marketing communication activities. During the past six months, we have scaled our marketing organization to a level where it includes senior competences within marketing, product management and communication. My assessment is that with this team now in place, we now have the tools we need to operate a professional marketing practice that supports the sales organization and can drive reseller productivity.

Within the Communication Service Provider vertical, we have seen a lower order intake than expected, even though we saw some growth compared to the first quarter. Our partners maintain their annual revenue targets and ensure that the number of tenders where our technology is included has increased significantly compared to last year. From a macro perspective, we see no indications that the mobile operators will not virtualize their networks and therefore will require virtualized security. The unknown factor continues to be the rollout pace. In order for us to be more in control of this business, we have employed sales people that are addressing the mobile operators directly as well as additional partners with strong operator relations. Given the strong pipeline of our partners and our continuous dialog with them, we anticipate an increased activity during the third and the fourth quarter this year, but even more so during the coming year.

We are slightly ahead of our plan with regards to our OPEX increase. This is mainly attributed to the accelerated build-up of our sales organization and the marketing and product management function as described above. In addition, we have added a few staff to our engineering department to expedite product releases in accordance with our product roadmap. With the recruitments now concluded, I do not anticipate any major increase in staff size to deliver on our current business plan.

Closing the second quarter, I can conclude that we have all the reasons to be excited about the second half of this year and the coming years, based on both the growth prospects we currently see, and the big potential for the company to achieve its ambition. We see that the change driven by our internal transformation programs has been extensive but highly required for Clavister to gear up to the commercial level expected. Therefore, it is gratifying that our hard work is delivering accelerated growth in this early phase of our five-year business plan. With the investments in revenue-generating staff we have done and with other expenses now on a stable level, I am confident that we are well-positioned on our path to profitability.

John Vestberg,
President and CEO

Sales and Order Intake

An important and relevant feedback from our first quarter report was the need for a simple and easy to understand indicator for Clavister's sales development. In response to that request, we will henceforth start reporting on **order intake** to detail our sales performance.

Clavister processes its orders rapidly, which means that an order quickly converts into customer invoicing. This means that there is almost a like-for-like relationship between order intake and invoicing during a certain time-period. Noteworthy is also that Clavister's support and maintenance agreements are being invoiced up-front for the entire contractual period, something which is positive for the company's cash flow.

Neither order intake nor invoicing are affected by the international accounting standard IFRS 15, which was implemented from the first quarter report of 2018. But our reported **revenues** are. Up until 2017 Clavister had almost a one-to-one relationship between order intake, invoicing and revenues during a specific time-period, i.e. a quarter. The big difference from 2018 is that the support and maintenance part of an order, under the new standard, shall be allocated evenly over the entire contractual period. The license part of a customer order, including any hardware, is recognized as revenues up-front, just as during previous periods.

Noteworthy is that Clavister has chosen to apply the partial or simplified transitional method while transferring over to IFRS 15, which means e.g. that last year's revenues have not been restated using IFRS 15 in the quarterly reports, but instead stays just as they were presented last year. This is an additional reason for presenting order intake, which can be compared "apples to apples" with last year's order intake, also similar to last year's revenues.

Order Intake for the Second Quarter

Summary of Order Intake (TSEK)	Apr - June 2018	Apr - June 2017	Apr - June Variance (%)	Jan - June 2018	Jan - June 2017	Jan - June Variance (%)
Focus Markets:						
Nordics	12 735	7 646	67%	20 509	16 675	23%
DACH-Region	3 715	1 887	97%	7 005	3 428	104%
Japan	3 528	1 418	149%	5 891	2 361	150%
Other Markets:						
Italy	955	430	122%	1 390	983	41%
China and South East Asia	2 281	2 460	neg.	3 916	4 754	neg.
Rest of the World	5 091	4 933	3%	10 030	10 655	neg.
Communication Service Providers	1 594	2 579	neg.	2 350	3 075	neg.
Total Order Intake	**29 899**	**21 353**	**40%**	**51 091**	**41 932**	**22%**

The second quarter of 2018 had an order intake amounting to 30 MSEK, equalling a 40% growth compared to the second quarter last year.

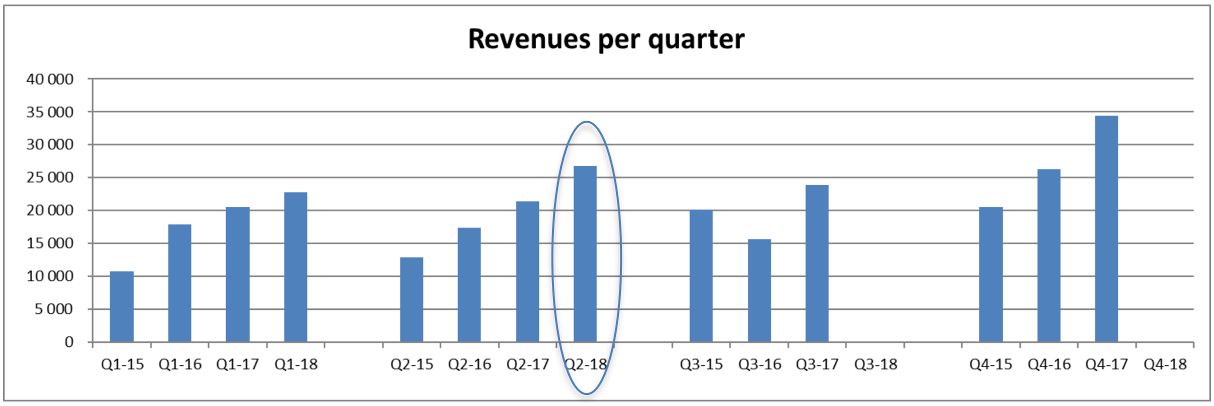
All three focus markets, Nordics, DACH and Japan, reported strong growth figures for the quarter, between 67% and 149%. This was achieved through an increased focus on strengthening and expanding our own sales force within these markets, in combination with adding more distributors and partners - in line with our sales channel strategy. During this quarter, we have added eleven more partners to our global channel network. All our distributors and partners can be found on our home page.

Also Italy reported a strong percentage growth, but still from somewhat low levels. China and South East Asia decreased their respective order intakes compared with the corresponding quarter last year. The Rest of the World have reported a stable order intake level compared to last year's Q2. In order to focus on our main markets, we have decided to wind down our sales organization in North Africa (being part of the RoW). This winding down activity is planned to be completed during the third quarter and is not expected to drive any extraordinary costs.

For Communication Service Providers, the order intake has been lower than expected. However, our partners within this market segment reconfirm their full year ambitions and conclude that the number of ongoing bids where Clavister's technology is an integrated part has increased significantly compared to last year. The uncertainty relates to when in time the virtualization wave will come.

Revenues and Gross Profits during the Second Quarter

Revenues for the quarter amounted to 26.8 (21.4) MSEK, which corresponds to a total growth in revenues by 25%, compared to the corresponding quarter last year.



Quarterly revenues from Q1 2015 - QTD 2018 (TSEK)

Revenues from the Nordic region, the biggest region within the Enterprise segment, amounted to 10.5 (7.7) MSEK, an increase by 27% MSEK, compared with the second quarter of 2017.
For the DACH region, the revenues amounted to 3.0 (1.9) MSEK, equalling an annual increase by 58%.
Asia in total generated revenues amounting to 5.6 (3.9) MSEK, corresponding to a 44 % revenue growth between the years. Within Asia, Japan stood for the growth, while China reported a declining revenue.
Revenues from global key accounts and the Rest of the World within the Enterprise segment, rose by 13%.
Revenues from the Communication Service Provider Segment amounted to 1.6 (2.6) MSEK.

The implementation of the IFRS 15 standard, has negatively affected the revenues, as well as the bottom line for the quarter, by 3.1 MSEK. For further info, see sections "Sales and order intake", above and "Accounting policies, IFRS 15 Revenue recognition", hereafter.

The gross profit rose to 19.1 (17.0) MSEK. The gross margin amounted to 71 (80)%. The reason for the reduced level of gross margin during this quarter vs. Q2 2017 is partly due to an altered revenue mix between the years, where Communication Service Providers revenues last year was more than offset by revenues from Japan this year. We deem the change in revenue mix between the quarters as normal and we have not seen any signs of any structural decline. Furthermore, the gross profit was also negatively impacted by the IFRS 15 implementation, as mentioned above.

Costs and Operating Result after Depreciation/Amortization during the Second Quarter

Operating expenses amounted to 49.7 (40.5) MSEK, an increase of 9.2 MSEK compared to the corresponding quarter 2017.

During the second quarter, 18 employees have been hired, which is the main reason for the 23% increase in staff costs compared to the previous year. Personnel expenses amounted to 35.7 (29.0) MSEK.

The company was in April charged with a penalty by the Disciplinary Board of Nasdaq Stockholm amounting to 1.5 MSEK, equal to six annual fees. The penalty refers to events that occurred during the period August 2014 until January 2017.

Depreciation of tangible assets amounted to 0.3 (0.1) MSEK during the second quarter, and amortization of intangible assets amounted to 7.5 (6.1) MSEK, mainly attributable to amortization of previous capitalizations. During the second quarter, capitalization of development costs has started in PhenixID AB, including depreciation of development costs in order to align accounting principles within the Group. The calculation was made with retroactive effect from January 1, 2018, and depreciation of development costs for the first half of the year amounted to 0.2 MSEK, which was charged to the second quarter results.

Result after Taxes for the Second Quarter

The financial net amounted to -7.0 (-1.0) MSEK during the quarter. In connection with the EIB and Tagehus financing the lenders have been granted warrants. The costs for the warrants will be amortized over the loan period and have affected the financial net for the quarter by 3.2 (0) MSEK. Foreign exchange fluctuations in the Euro/SEK ratio had a negative impact of 1.3 (0) MSEK, due to the EIB loan taken in Euros. The remaining financial net consist mainly of accrued interest costs for the EIB and Tagehus loans.

The accrued tax benefit amounts to 76.7 MSEK by end of the quarter. The Swedish Government has during this quarter decided to reduce the Swedish corporate income tax level (from today's 22% down to 20.6%) starting from 2019. This Government decision has caused the company to record an accounting devaluation of this asset, resulting into a tax expense of 5.2 MSEK.

Investments and Capitalized Development Costs

The Group's investments in the form of capitalized expenditures on intangible fixed assets amounted to 11.0 (6.2) MSEK for the second quarter 2018. During the second quarter, capitalization of development costs has started in PhenixID AB, to keep the accounting principles within the Group consistent. The calculation was made with retroactive effect from January 1, 2018 and the effect on the balance sheet of development costs at the end of the quarter was 2.7 MSEK. During the quarter, the company capitalized development costs corresponding to 62 (60)% of the company's total development costs.

Investments in tangible assets consist primarily of computer equipment and furniture. During the quarter no such investments were made, which was the case also during the second quarter last year.

Cash and Cash Equivalents, Financing and Financial Position

Cash flow from operating activities during the second quarter amounted to -20.0 (-22.9) MSEK. Cash flow from investing activities amounted to -11.0 (-6.2) MSEK. A description of investment activities is shown in the section on investments, capitalization and amortization here above.
Cash flow from financing activities amounted to 2.5 (-0.6) MSEK.
Cash and cash equivalents amounted to 65.3 (29.6) MSEK at the end of the period.
Additionally, the company owns 330,000 Clavister shares.

Impairment Testing

In the fourth quarter 2017, an impairment test review of the Group’s goodwill linked to Clavister APAC resulted in a write-down in the Group by 1.1 MSEK. Other items showed no impairment losses. For further information, see Annual Report 2017 on the company’s website: www.clavister.com.

No new impairment effects have impacted the balance sheet during the quarter.

Market

For market information, see Annual Report 2017 on the company's website: www.clavister.com.

Personnel and Organization

As per the end of the quarter the number of full-time equivalents (FTE) within the group amounted to 177 (161). During the second quarter the number of employees has increased by 18. Apart from own employees, Clavister use external consultants for sales and support activities, in total 14 (11) FTEs. The total workforce as per June 30, hence amounted to 191 (172).

Accounting Policies

The consolidated financial statements have been prepared in accordance to the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by European Union (EU). The Group also applies the Annual Accounts Act (1995: 1554), IAS 34 and the recommendation of the Council for Financial Reporting, RFR 1 "Supplementary Accounting Rules for Groups".

IFRS 15 Revenue recognition

The newly implemented revenue recognition in IFRS 15 will initially (mainly during the years 2018-2020) have a certain negative impact on the company's revenue accounting, compared to previous accounting recognition rules. This, because the support and maintenance parts from a won order in 2018 at first is accounted for in full on the balance sheet, and then evenly, on a monthly basis, being allocated to the income statement as recognized revenues over the contractual period. Before IFRS 15 was implemented, Clavister recognized both its license and support & maintenance revenues immediately when the order was won and the invoicing was performed—without any allocation of the maintenance and support revenues over time. Transitional rules over to IFRS 15 specifies that only the previous year's revenues shall be retroactively revalued. This means that the company in 2018 can recognize revenues from of some of the support- and maintenance revenues won in 2017, but have to, at the same time, defer support- and maintenance revenues from orders won this year and recognize them over the contractual period. This means that over the coming years the company's balance sheet will be built-up. This negative effect from the IFRS 15 implementation is offset by the fact that parts of future periods' revenues will already be won and certain to future periods' income statements. Additionally, fluctuation in revenues between periods will decrease as support- and maintenance are recognized as revenues from the balance sheet. The company has estimated that the total annual net effect from this changed revenue recognition method will amount to ca 10 MSEK for 2018, compare to if last year's revenue recognition model could have been applied also this year.

IFRS 16 Leasing

IFRS 16 replaces IAS 17 from January 1, 2019. According to the new standard, the lessee shall, as a general rule, report the leased asset in the balance sheet. Depreciation of the asset is then recognized in the income statement. The leasing fee is to be divided into interest payments and amortization. The Group has begun its evaluation work, which will be finalized during the fall of 2018.

Disputes and Litigations

There are no known or ongoing litigation cases or legal proceedings in which Clavister is involved.

Transactions with Related Parties

No significant transactions between related parties and Clavister have occurred within the group during the reporting period.

Risks and Uncertainties

The company refers to the Annual Report 2017 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.

In 2018, an additional currency risk has been identified in connection with the EIB loan, as it has been taken in Euros. The decreasing Swedish Krona during the quarter affected the total loan negatively since Clavister's reporting currency is in Swedish Krona. The liquidity is however not affected, since no amortizations are conducted during the current year, in accordance with the agreement. For further information, see Annual Report 2017 on the company's website: www.clavister.com

Post-closing events

Nothing to report.

Upcoming reporting days

Clavister intends to distribute financial reports on the dates below.

• Interim report July-September 2018	October 25, 2018
• Interim report October – December 2018	February 19, 2019
• Annual general meeting (incl. Annual Report 2018)	April 24, 2019

Financial reports, press releases, and information are available from the date of publication on Clavister's website www.clavister.com

Any forward-looking statements in this report are based on the Company's best assessment at the time of the report. Clavister makes no forecasts.

The President and CEO ensure that the interim report gives a true and fair view of the Group's and the Parent Company's business, position and results and describes significant risks and uncertainties faced by the company and the companies included in the Group.

John Vestberg
President and CEO

This earnings and quarterly report has not been subject to special review by the Company's auditor.

Condensed Consolidated Income Statement and Statement of Total Income for the Group

Income statement (TSEK)	**Apr - June 2018**	**Apr - June 2017**	**Jan - June 2018**	**Jan - June 2017**	**Jan-Dec 2017 ***
Revenue	26 818	21 352	49 637	41 931	100 206
COGS	-7 753	-4 337	-13 125	-8 341	-22 694
Gross profit	**19 065**	**17 015**	**36 512**	**33 590**	**77 512**
Gross margin, %	*71%*	*80%*	*74%*	*80%*	*77%*
Cap. Dev. Expenses	10 964	6 153	19 182	12 185	23 603
Staff costs	-35 742	-28 986	-64 446	-56 007	-109 894
Other external costs	-13 918	-11 530	-30 844	-22 165	-44 894
Depreciation and impairment loss	-300	-143	-552	-287	-870
Amortization and impairment loss	-7 453	-6 095	-14 210	-9 181	-22 367
EBIT	**-27 384**	**-23 586**	**-54 358**	**-41 865**	**-76 910**
Financial items	-7 025	-1 022	-16 305	-2 145	-6 732
Result after financial items	**-34 409**	**-24 608**	**-70 663**	**-44 010**	**-83 642**
Taxes	-5 224	5 385	-5 224	9 584	17 250
Net profit - loss	**-39 633**	**-19 223**	**-75 887**	**-34 426**	**-66 392**

Average number of shares (before dilutive effect)	*23 562 050*	*22 895 384*	*23 562 050*	*22 821 254*	*23 154 587*
Average number of shares (after dilutive effect)	*30 881 875*	*24 637 505*	*30 863 524*	*24 563 375*	*27 566 412*
Result per share, (before dilutive effect), SEK	*-1,68*	*-0,84*	*-3,22*	*-1,51*	*-2,87*
Result per share (after dilutive effect), SEK	*-1,68*	*-0,84*	*-3,22*	*-1,51*	*-2,87*

Net profit relating to					
Shareholders of the Parent Company	**-39 633**	**-19 223**	**-75 887**	**-34 426**	**-66 392**

Total results of the Group:					
Net profit (loss) end of the period	-39 633	-19 223	-75 887	-34 426	-66 392
Other profit	-724	-195	-767	-151	-135
Net profit (loss)	**-40 357**	**-19 418**	**-76 654**	**-34 577**	**-66 527**

** Comparative figures are according to the adopted Annual Accounts of 2017*

Condensed Consolidated Balance Sheet for the Group

Balance sheet (TSEK)	2018-06-30	2017-06-30	2017-12-31 **
Assets			
Capitalized development costs	61 003	56 645	56 013
Goodwill	52 569	53 669	52 569
Program rights	28	98	63
Tangible assets	2 037	670	1 634
Deferred tax asset	76 661	65 906	81 871
Other long-term receivables *	41 408	10 084	41 409
Inventories	6 476	7 556	8 056
Current receivables *	34 653	18 709	34 003
Cash and bank balances	65 296	29 618	26 492
Total assets	**340 132**	**242 955**	**302 110**
Equity and liabilities			
Equity *	108 599	176 994	209 728
Provisions	1 791	2 997	1 791
Long-term liabilities	162 100	24 681	56 016
Current liabilities	67 643	38 283	34 575
Total equity and liabilities	**340 132**	**242 955**	**302 110**
Pledged assets	52 421	40 216	147 457
Contingent liabilities	0	0	0

** The lenders, EIB and Tagehus, have been given warrants as part of their respective funding agreements. The interest have been accrued over the loan period. During the current quarter, the interest cost from these loans amounted to 3.2 MSEK, while the equity rose by 54.8 MSEK.*

*** Comparative figures are according to the adopted Annual Accounts of 2017*

Condensed Consolidated Cash Flow Statements for the Group

Cash flow analysis (TSEK)	Apr-June 2018	Apr-June 2017	Jan - June 2018	Jan - June 2017	Jan - Dec 2017 *
Profit (loss) after financial items	-34 409	-24 607	-70 664	-44 008	-83 642
Adjustments for non-cash items, etc.	7 753	6 238	14 762	9 468	24 190
Paid taxes	-689	-282	-1 040	-564	-757
Cash flow from operating activities before working capital change	**-27 345**	**-18 651**	**-56 942**	**-35 104**	**-60 209**
Changes in inventories	1 604	299	1 580	-1 338	-1 839
Changes in operating receivables	-5 302	-1 155	-349	6 127	-1 089
Changes in operating liabilities	11 038	-3 389	8 042	-10 241	-14 379
Cash flow from operating activities	**-20 006**	**-22 896**	**-47 669**	**-40 555**	**-77 515**
Cash flow from investing activities	**-10 964**	**-6 153**	**-19 182**	**-12 185**	**-66 088**
Cash flow from financing activities	**2 479**	**-586**	**105 655**	**7 048**	**94 784**
Cash flow	**-28 491**	**-29 635**	**38 804**	**-45 692**	**-48 819**
Cash, beginning of period	93 787	59 253	26 492	75 311	75 311
Cash, end of period	**65 296**	**29 618**	**65 296**	**29 618**	**26 492**

Condensed Consolidated Changes in Equity for the Group

Equity (TSEK)	**Apr - June 2018**	**Apr - June 2017**	**Jan - June 2018**	**Jan - June 2017**	**Jan - Dec 2017 ***
Equity, beginning of period	148 331	196 319	209 728	208 378	208 378
Cash issue	0	0	0	4 448	14 478
Issue expenses	0	0	0	0	-346
Non-registered issue	0	93	0	-4 125	-4 478
Non-registered issue	0	0	0	0	939
Share-based compensation	625	0	625	0	54 413
Equity component at convertible loan	0	0	0	2 870	2 870
Deferred revenues from 2017, due to IFRS 15	0	0	-25 100	0	0
Other total income for the period	-724	-195	-767	-151	-135
Result for the period	-39 633	-19 223	-75 887	-34 426	-66 391
Equity, end of period	**108 599**	**176 994**	**108 599**	**176 994**	**209 728**

** Comparative figures are according to the adopted Annual Accounts of 2017*

Consolidated Key Data and Figures for the Group

Key data and figures	**Apr - June 2018**	**Apr - June 2017**	**Jan - June 2018**	**Jan - June 2017**	**Jan - Dec 2017**
Operating revenues (TSEK)	26 818	21 352	49 637	41 931	100 206
Gross profit (TSEK)	19 065	17 015	36 512	33 590	77 512
Gross margin (%)	71%	80%	74%	80%	77%
Operating profit (TSEK)	-27 384	-23 586	-54 358	-41 865	-76 910
Net profit (loss) (TSEK)	-39 633	-19 223	-75 887	-34 426	-66 392
Earnings per share (SEK) before dilution	-1,68	-0,84	-3,22	-1,51	-2,87
Earnings per share (SEK) after dilution	-1,68	-0,84	-3,22	-1,51	-2,87
Price per earnings (SEK)	N/A	N/A	N/A	N/A	-8,34
Equity per share	4,61	15,35	4,61	15,35	8,90
Number of shares before dilution at the end of the period	23 562 050	22 895 384	23 562 050	22 895 384	23 562 050
Number of shares after dilution at the end of the period	30 881 875	23 970 819	30 881 875	23 970 819	30 845 172
Average number of shares before dilution	23 562 050	22 895 384	23 562 050	22 821 254	23 154 587
Average number of shares after dilution	30 881 875	24 637 505	30 863 524	24 563 375	27 566 412
Number of employees at the end of period	177	161	177	161	155
Average number of employees	169	162	166	161	149
Number of employees and external resources at end of period	190	172	190	172	163
Equity/assets ratio (%)	32%	73%	32%	73%	69%
Quick ratio (%)	148%	126%	148%	126%	175%
Net debt (-), Net cash (+) (TSEK)	-96 804	-1 682	-96 804	-1 682	-29 524

Segment Reporting

A business segment is a part of the Group which operates independently and can generate revenue and incur costs and for which there is separate and individual financial information available. Clavister develops products for the Enterprise business segment for medium and large customers, as well as for Communication Service Providers. The capitalized development costs have been used as a reference when allocating operating assets and operating liabilities.

For more information and description about the operating segments, see Annual report 2017, http://www.clavister.com/.

(TSEK)	Enterprise		Communication Service Providers		Group-wide/ elimination				Total Group	
Period April - June	**2018**	**2017**	**2018**	**2017**	**2018**		**2017**		**2018**	**2017**
Revenue										
External revenue	25 004	18 671	1 598	2 579	0		0	0	26 602	21 250
Internal revenue	0	0	0	0	3 914	-3 914	1 585	-1 585	0	0
Other income	216	102	0	0	0		0	0	216	102
Total revenue	**25 220**	**18 773**	**1 598**	**2 579**	**3 914**	**-3 914**	**1 585**	**-1 585**	**26 818**	**21 352**
Operating profit (loss)	-16 430	-14 623	-10 954	-8 963	0	0	0	0	-27 384	-23 586
Other information										
Operational assets	204 079	150 632	136 053	92 323	0	0	0	0	340 132	242 955
Operational liabilities	40 586	19 632	27 057	12 033	0	0	0	0	67 643	31 665
Investments	5 033	2 425	5 931	3 727	0	0	0	0	10 964	6 152
Depreciation and Amortizations	3 301	3 286	4 452	2 952	0	0	0	0	7 753	6 238
Goodwill	52 569	53 669	0	0	0	0	0	0	52 569	53 669

Order Intake

Order intake being the sum of all valid customer orders booked and invoiced within the accounting period.

Summary of Order Intake (TSEK)	Apr - June 2018	Apr - June 2017	Apr - June Variance (%)	Jan - June 2018	Jan - June 2017	Jan - June Variance (%)
Focus Markets:						
Nordics	12 735	7 646	67%	20 509	16 675	23%
DACH-Region	3 715	1 887	97%	7 005	3 428	104%
Japan	3 528	1 418	149%	5 891	2 361	150%
Other Markets:						
Italy	955	430	122%	1 390	983	41%
China and South East Asia	2 281	2 460	neg.	3 916	4 754	neg.
Rest of the World	5 091	4 933	3%	10 030	10 655	neg.
Communication Service Providers	1 594	2 579	neg.	2 350	3 075	neg.
Total Order Intake	**29 899**	**21 353**	**40%**	**51 091**	**41 932**	**22%**

Share Capital

The company's share capital amounts to 2,356,205 SEK.

Shareholders and Shares

Clavister Holding shares are 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 per end of June amounted to 5,667.
The number of registered shares as per June 30 were 23,562,050.

The 10 largest shareholders	**Number of shares 2018-06-30**	**% of total number**
Försäkringsaktiebolaget, Avanza Pension	3 081 008	13,1%
Danica Pension	1 424 163	6,0%
Ålandsbanken ABP, Bank of Åland Ltd	1 260 004	5,3%
Fondita Nordic Micro Cap SR	1 010 000	4,3%
RGG Adm-Gruppen AB	960 000	4,1%
Nordnet Pensionsförsäkring AB	805 970	3,4%
Norrlandsfonden	666 666	2,8%
JP Morgan Securities LLC	564 814	2,4%
Fondita 2000+	543 000	2,3%
AMF Aktiefond Småbolag	531 060	2,3%
Other Shareholders	12 715 365	54,0%
Total shares registered under the Companies Registration Office	**23 562 050**	**100,0%**

Events	**Number**	**Date**
Opening number of shares	**23 562 050**	**2018-01-01**
Closing number of shares	**23 562 050**	**2018-06-30**

In additional, new share issues in 2016-2037, due to warrants and convertibel loan	7 319 825
Number of shares after full dilution	**30 881 875**

Share Related Program (warrants) and Convertible loan

Warrants

There are four current incentive programs addressed to key employees of the Company, total 975 800 warrants. Pricing is based on the Black-Scholes option pricing model. Payment of the warrant options has been made in accordance with the extrapolated price according to the Black & Scholes model therefore it has not affected the accounts with any charge.

There are additional five program for warrants linked to loan financing equivalent to 4,312,608 warrants maturing 2020, 19,801 warrants maturing 2026 and 1,770,079 warrants maturing 2037. During the quarter an additional program has started with a total amount of warrants of 36 703 and maturing 2038. The total numbers of warrants linked to financing equivalent are 6 139 191 warrants.

Holders of warrants will be entitled to subscribe for one new share in the company for each warrant. The number of warrants issued amounted to a total of 7,114,991 warrants.

For further info, see www.clavister.com/investor-relations.

Clavister considers it a positive undertaking to offer warrant programs to create greater commitment, loyalty and greater interest among warrant holders, which also favors the development of the company.

Warrants	**Number issued**	**Redeemed/ Due**	**Open**	**Share Price, SEK**
TO 2016-2026	19 801	0	19 801	0,1
TO 2016 - 2019-06-30	530 800	0	530 800	72
TO 2017 - 2020-02-28	70 000	0	70 000	72
TO 2017 - 2020-02-28	75 000	0	75 000	79
TO 2017 - 2020 (Serie 1)	2 500 000	0	2 500 000	20
TO 2017 - 2020 (Serie 1)	562 608	0	562 608	20
TO 2017 - 2020 (Serie 2)	1 250 000	0	1 250 000	0,1
TO 2017 - 2037 (Serie 3)	1 770 079	0	1 770 079	0,1
TO 2017 - 2020-06-30	300 000	0	300 000	30
TO 2018 - 2038-04-30	36 703	0	36 703	0,1
	7 114 991	**0**	**7 114 991**	

Convertible loan

Norrlandsfonden currently has a convertible debenture of 10 MSEK. In case of conversion, approximately 204,834 shares in Clavister Holding AB will be added and the conversion price amounts to 48.82 SEK. The maturity of the convertible is 5 years. The interest rate is based on STIBOR 90. If there is still a negative interest rate, no interest payment will be paid to the Norrlandsfonden.

Convertible loan	**Number issued**	**Redeemed/ Due**	**Open**	**Share Price, SEK**
Norrlandsfonden 2022-05-31	204 834	0	204 834	48,82
	204 834	**0**	**204 834**	

Condensed Parent Company Income Statement

Income statement (TSEK)	Apr - June 2018	Apr - June 2017	Jan - June 2018	Jan - June 2017	Jan - Dec 2017 *
Net sales	3 900	1 500	7 800	3 000	6 000
Staff costs	-2 675	-1 062	-4 563	-2 021	-3 537
Other external costs	-3 881	-859	-6 185	-1 454	-4 870
EBIT	**-2 656**	**-421**	**-2 948**	**-475**	**-2 407**
Financial items	-1 989	-162	-4 113	-324	-2 676
Result after financial items	**-4 645**	**-583**	**-7 061**	**-799**	**-5 083**
Taxes	-17	0	-17	0	378
Net result	**-4 662**	**-583**	**-7 078**	**-799**	**-4 705**

Condensed Parent Company Balance Sheet

Balance sheet (TSEK)	2018-06-30	2017-06-30	2017-12-31 *
Assets			
Shares in group companies	611 295	252 955	578 217
Receivables from group companies	1 500	261 198	19 845
Long-term receivables	0	0	8 255
Deferred tax asset	251	0	268
Current receivables	11 422	2	4 917
Cash and bank balances	630	8 306	11 471
Total assets	**625 098**	**522 461**	**622 973**
Equity and liabilities			
Equity	558 749	504 425	565 203
Long-term liabilities	61 819	16 882	55 159
Current liabilities	4 530	1 155	2 611
Total equity and liabilities	**625 098**	**522 461**	**622 973**
Pledged assets	135 992	437 068	146 957
Contingent liabilities	0	16 772	0

** Comparative figures are according to the adopted Annual Accounts of 2017*

Definitions

Order intake	Sum of all legally completed customer orders within a given accounting period.
Operation revenues	Net sales plus other income.
Gross profit	Operating revenues minus cost of goods sold.
Operating costs	Personnel costs and Other external expenses.
Gross margin	Gross profit in relation to operating revenues.
Operating profit	Operating revenues minus operating costs after depreciation/amortization
Net profit/loss	Operating profit minus, financial items and taxes.
Earnings per share (SEK) before dilution	Profit for the period divided by the average number of shares outstanding during the period, before dilution from options.
Earnings per share (SEK) after dilution	Profit for the period divided by the average number of shares outstanding during the period, after dilution from options. *According to IAS 33, earnings per share, profit after dilution shall be reported to the same amount as earnings per share before dilution.*
Price-Earnings Ratio	Market value per Share divided by the earnings per Share, full year.
Equity per share	Shareholders' equity divided by the number of shares outstanding at the end of the period.
Number of shares before dilution at the end of the period	Number of shares outstanding before dilution from options, at the end of the period.
Number of shares after dilution at the end of the period	Number of shares outstanding after dilution from options, at the end of the period.
Average number of shares before dilution	Average number of shares during the period, before dilution from options.
Average number of shares after dilution	Average number of shares during the period, after dilution from options.
Number of employees at the end of period	The number of employees at the end of the period, defined as full-time equivalents.
Average number of employees	The average number of employees during the period, defined as full-time equivalents.
Number of employees and external resources at end of period	The number of employees and external resources such as dedicated persons with contracted suppliers and subcontractors at the end of the period, defined as full-time equivalents.
Equity/assets ratio (Solidity)	Equity at the end of period as a percentage of total assets at the end of the period.
Quick ratio	Current assets in relation to current liabilities.
Net debt, Net cash	Cash equivalents minus interest-bearing short-term and long-term liabilities.

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Clavister Holding AB

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