

INTERIM REPORT

JULY- SEPTEMBER 2018

Clavister develops, produces and sells cybersecurity 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.

Third Quarter 2018

- Order intake for the quarter amounted to 30.1 (23.9) MSEK, equalling a growth by 26%, compared to the corresponding quarter last year
- Revenues amounted to 30.8 (23.9) MSEK, an increase of 29%
- Gross profit amounted to 26.5 (17.3) MSEK
- Gross margin amounted to 86 (73)%
- EBITDA amounted to -5.7 (-10.4) MSEK
- EBIT amounted to -13.3 (-16.4) MSEK
- Result after financial items for the period amounted to -17.1 (-18.6) MSEK
- Earnings per share amounted to -0.73 (-0.63) SEK.
- Cash by the end of the period was 47.5 (31.3) MSEK

Events during the Quarter

- An alliance agreement was signed with Tata Communications Transformation Services during the quarter, through which Tata can bring Clavister's solutions to both service providers and to larger corporate customers.
- Two important sales were done of the Identity and Access Management (IAM) product range that for the first time were being sold outside the IAM's traditional home market in the Nordics.

First nine months of 2018

- Order intake amounted to 81.2 (65.8) MSEK, equalling a growth by 23%, compared to the first nine months of 2017
- Revenues amounted to 80.4 (65.8) MSEK, an increase of 22%
- Gross profit rose to 63.0 (50.9) MSEK
- Gross margin amounted to 78 (77)%
- EBITDA amounted to -45.3 (-42.8) MSEK
- EBIT amounted to -67.7 (-58.2) MSEK
- Result after financial items amounted to -87.8 (-62.6) MSEK
- Earnings per share amounted to -3.95 (-2.15) SEK

Comments by the CEO

During the third quarter, Clavister has continued its growth journey taking several important steps on its path to profitability.

The quarter brought an order intake of 30 MSEK, corresponding to a year-on-year growth of 26%. The period is typically challenging from a seasonal perspective, especially due to the vacation period in the Nordics and in Germany. During the third quarter of this year, however, we were able to maintain a strong sales momentum.

The Nordics contributed with the strongest growth in order intake at around 56%, driven partly by increased volumes in general and partly by a few large individual deals. Among them, we were able to onboard a national law enforcement agency as a new customer, and a handful of larger Swedish municipalities to our portfolio of public sector customers. A positive sign was also that our latest distributor, Pedab, has already contributed revenues in the quarter.

The DACH-region demonstrated a year-on-year growth of 25%, almost exclusively driven by an increased demand on Clavister products. We saw a strong interest in our solutions particularly within the “Critical Infrastructure” and “Industrial IoT” verticals. The growth in the region for the first nine months of the year amounted to approximately 70%.

We had a negative growth in Japan in the third quarter, due to a single, large customer order pushing up the order intake during the corresponding 2017 quarter. Our assessment is, nevertheless, that we will reach a satisfactory growth in Japan for the full year. We continue our efforts in establishing a greater market presence in Japan, mainly by developing additional sales channels in addition to the key accounts we currently maintain.

Within the newly integrated product group Identity and Access Management (IAM), we took business with customers outside of the Nordics market. One of the largest universities in Southeast Asia, as well as the Tunisian social insurance agency named CNAM, decided to secure their business using Clavister products and solutions. On the back of these orders, we expect to scale global business through our international sales channels.

Order intake within the Communication Service Provider (CSP) vertical grew by 21% in the third quarter, better performance than the second quarter. As a result of our increased level of sales activity, both direct and through partners to the major mobile operators, we were able to develop a continued buildup of our sales funnel. As an example of growth in a new focus customer segment, a government agency in Southeast Asia decided to use Clavister for the public safety network they are implementing. Among existing customers, a number of operators have expanded their deployments with additional capacity and features from Clavister. An important partnership was entered into during the quarter with Tata Communications Transformation Services, where Tata will market and sell Clavister’s solutions to their telecoms and large enterprise customers.

Cost wise, we ended the third quarter with about 8 MSEK in higher costs compared to the corresponding period in 2017. These additional costs are directly attributed to the extended sales and marketing organization. The quarter provided an EBITDA result of -5.7 MSEK.

Overall, we are leaving the third quarter with optimistic results. Consequently, we have met the conditions set out by the European Investment Bank for the second tranche in our financing, which we have drawn-down in early November. We see the growth in order intake and the improved EBITDA result as significant indications that our growth strategy is working and that we are well on our way to profitability.

John Vestberg,
President and CEO

Sales and Order Intake for the Third Quarter

We continue to separately report on Clavister's sales development expressed in **order intake**, as it provides an easy to understand and transparent view of Clavister's growth in total and split by individual markets and regions.

Summary of Order Intake (TSEK)	July - Sept 2018	July - Sept 2017	July - Sept Variance (%)	Jan - Sept 2018	Jan - Sept 2017	Jan - Sept Variance (%)
<i>Focus Markets:</i>						
Nordics	12 646	8 130	56%	33 155	24 805	34%
DACH-region	2 974	2 386	25%	9 979	5 814	72%
Japan	1 166	4 217	neg.	7 057	6 578	7%
<i>Other Markets:</i>						
Italy	446	558	neg.	1 836	1 541	19%
China and South East Asia	3 087	2 245	38%	7 003	6 999	0%
Rest of the World	7 225	4 226	71%	17 256	14 881	16%
Communication Service Providers	2 532	2 098	21%	4 882	5 173	neg.
Total Order Intake	30 077	23 860	26%	81 168	65 792	23%

The third quarter saw more than 30 MSEK of order intake. This represents 26% growth, compared to the corresponding quarter last year. The sales growth for the first nine months amounted to 23%, compared to 6% last year, excluding effects from the subsidiary PhenixID, which was consolidated into the Group from September 2016.

In our focus markets, the Nordics had a growth of 56%, driven by a number of significant deals, including a Law enforcement Agency.

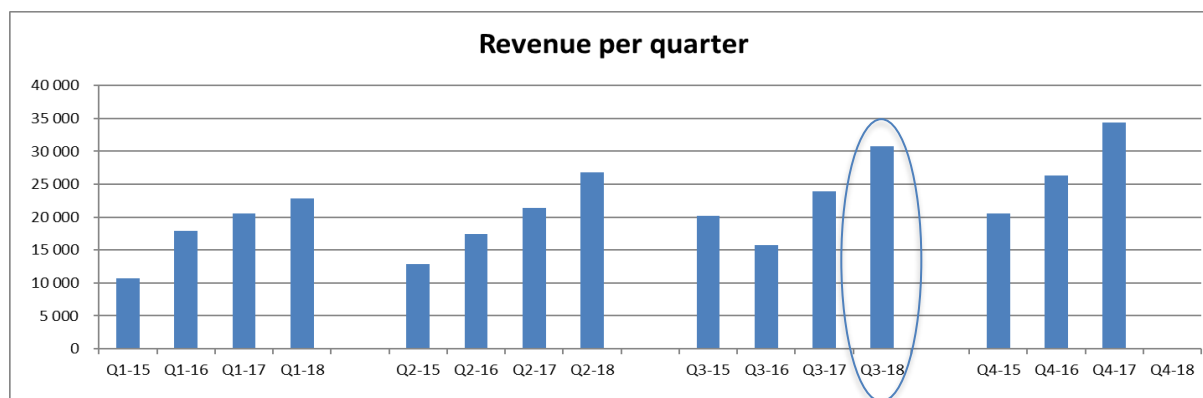
The DACH-Region, predominantly Germany, reported a growth of 25% for the quarter. The region's growth for the first nine months amounted to 72%.

We had a negative growth in Japan in the third quarter, due to a single, large customer order pushing up the order intake during the corresponding 2017 quarter. Year to date the Japanese market has grown by 7%, compared to the nine first months of 2017.

Among other geographies "China and South East Asia" as well as "Rest of the World" showed growth rates for the third quarter amounting to 38% and 71%, respectively. In both those geographies, growth was driven by IAM solutions, which now for the first time are being sold outside the traditional Nordic home market. We expect these sales to be important proof-points for our marketing of end-to-end cybersecurity solutions on new markets.

Order intake within the Communication Service Provider (CSP) vertical grew by 21% in the third quarter, partly thanks to a new operator, a government agency in Southeast Asia who decided to use Clavister's virtual solutions for their new, national public safety network. Among existing customers, a number of operators have expanded their deployments with additional capacity and features. An important partnership was entered into during the quarter with Tata Communications Transformation Services - one of the largest system integrators in the world.

Revenues and Gross Profits during the Third Quarter



Quarterly revenues from Q1 2015 - QTD 2018 (TSEK)

Revenues for the quarter amounted to 30.8 (23.9) MSEK.

Revenues from the Nordic region, our individually largest region, amounted to 13.5 (8.2) MSEK, a growth by 65% compared to the corresponding quarter last year.

For the DACH region, the revenues amounted to 2.7 (2.4) MSEK, an annual increase of 13%.

Asia in total generated revenues amounting to 4.7 (6.1) MSEK, corresponding to a decrease of 24% between the years, primarily due to a large individual order in Q3 last year.

Revenues from global key accounts and the "Rest of the World" rose by 45%.

Revenues from the Communication Service Provider Segment amounted to 1.6 (2.1) MSEK.

The implementation of the IFRS 15 standard has on a net level affected the revenues as well as the bottom line for the quarter by -0.7 MSEK. For further info, see the section "Accounting Policies, IFRS 15 Revenue recognition".

The gross profit rose to 26.5 (17.3) MSEK. The corresponding gross margin amounted to 86 (73)%. A different product mix was the main driver behind the variation in gross profit and gross margin between the quarters.

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

Operating expenses amounted to 41.0 (33.0) MSEK, an increase of 8.0 MSEK compared to the corresponding quarter 2017.

The individually largest part of operating expenses is personnel expenses, which amounted to 30.1 (23.1) MSEK. The cost increase is due to recruitments that have been carried out during the year, mainly within Marketing and Sales.

Depreciation of tangible assets amounted to 0.3 (0.1) MSEK during the third quarter, and amortization of intangible assets amounted to 7.3 (5.8) MSEK, mainly attributable to amortization of previous capitalizations.

Result after Taxes for the Third Quarter

The financial net amounted to -3.8 (-2.2) 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 positive impact of 1.3 (0) MSEK, due to the EIB loan taken in Euros. The remaining financial net consists mainly of accrued interest costs related to the EIB and Tagehus loans. Accrued interest has no cash impact on the Group's liquidity.

From a prudence perspective and audit recommendation, a decision was taken in late 2107 to freeze the accrued tax benefit as per the 1st of January, 2018, which then amounted to 81.9 MSEK in the balance sheet. As per end of the third quarter, this asset amounted to 76.7 MSEK. The reduced asset value by 5.2 MSEK is due to the Swedish Government who, during the second quarter this year, decided to lower the Swedish corporate income tax level (from current 22% down to 20.6%) starting from 2019. This new legislation caused the company to record an accounting devaluation of this asset during the second quarter. The tax cost for the quarter, 7 TSEK, relates to a local Chinese tax.

Investments and Capitalized Development Costs

The Group's investments in the form of capitalized expenditures on intangible fixed assets amounted to 8.8 (5.3) MSEK for the third quarter 2018. During the quarter, the company capitalized development costs corresponding to 92 (56)% of the company's total development costs. The main driver behind the relatively high capitalization level is due to a number of bigger product upgrades being developed during this quarter.

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 third quarter last year.

Cash and Cash Equivalents, Financing and Financial Position

Cash flow from operating activities during the third quarter amounted to -10.4 (-12.9) MSEK.

Cash flow from investment activities amounted to -8.8 (-5.3) MSEK. A description of investment activities is shown in the section on Investments and Capitalized Development Costs above.

Cash flow from financing activities amounted to 3.4 (20.8) MSEK.

During the quarter, the Group divested all its 330,000 treasury shares for 4.5 MSEK (13.5 SEK/share).

Cash and cash equivalents amounted to 47.5 (31.3) MSEK at the end of the period.

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 end of quarter, the number of full-time equivalents (FTE) within the group amounted to 179 (157).

Apart from own employees, Clavister also uses external consultants, in total 7 (10) FTEs.

The total workforce as per September 30 hence amounted to 186 (167).

Accounting Policies

The consolidated financial statements have been prepared in accordance with 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 revenue recognition standard IFRS 15 was implemented by the Group from January 1, 2018 and will initially (mainly during the years 2018-2020) have a negative impact on the company's revenue accounting, compared to previous accounting recognition rules. This, because the support and maintenance components of 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 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. Over the coming years the company's balance sheet will accrue recognition of support revenues. 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 implementing IFRS 15 revenue recognition method will amount to a decrease in revenue of approximately 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, at the latest. An earlier implementation is allowed if it is time wise aligned with the IFRS 15 implementation. According to the IFRS 16 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 will mainly be affected by this standard through the treatment of the office rentals in Örnköldsvik, Umeå and Stockholm as the rental will no longer be recorded as an operating expense, but as depreciation and interest cost. The total annual amount in scope for this change is circa 6 MSEK. The Group intend to implement IFRS 16 during the fourth quarter of 2018, with retroactive effect from January 1, 2018, using the simplified method. The simplified method implies that only remaining rental periods will be taken into account while transferring over to the new standard, the previous year's figures are not restated and contracts with fewer than 12 remaining months do not have to be considered.

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.

Post-closing events

On November 7, 2018, Clavister AB received 5 MEUR as part of the European Investment Bank's 20 MEUR facility. This was the second tranche out of three.

Upcoming reporting days

Clavister intends to distribute financial reports on the dates below.

- | | |
|---|-------------------|
| • Interim report October – December 2018 | February 19, 2019 |
| • Annual general meeting (to be held in Örnsköldsvik) | May 14, 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 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

	July - Sept 2018	July - Sept 2017	Jan - Sept 2018	Jan - Sept 2017	Jan-Dec 2017 *
Income statement (TSEK)					
Revenue	30 794	23 860	80 431	65 791	100 206
COGS	-4 275	-6 533	-17 400	-14 874	-22 694
Gross profit	26 519	17 327	63 031	50 917	77 512
<i>Gross margin, %</i>	<i>86%</i>	<i>73%</i>	<i>78%</i>	<i>77%</i>	<i>77%</i>
Cap. Dev. Expenses	8 760	5 286	27 942	17 471	23 603
Staff costs	-30 054	-23 113	-94 500	-79 120	-109 893
Other external costs	-10 945	-9 902	-41 789	-32 067	-44 894
EBITDA	-5 720	-10 402	-45 316	-42 799	-53 672
Depreciation and impairment loss	-322	-138	-874	-425	-870
Amortization and impairment loss	-7 283	-5 825	-21 493	-15 006	-22 367
EBIT	-13 325	-16 365	-67 683	-58 230	-76 909
Financial items	-3 821	-2 208	-20 126	-4 353	-6 732
Result after financial items	-17 146	-18 573	-87 809	-62 583	-83 641
Taxes	-7	4 037	-5 231	13 621	17 249
Net profit - loss	-17 153	-14 536	-93 040	-48 962	-66 392
 <i>Average number of shares before dilution</i>	 <i>23 562 050</i>	 <i>22 895 384</i>	 <i>23 562 050</i>	 <i>22 821 254</i>	 <i>23 154 587</i>
<i>Average number of shares after dilution</i>	<i>31 256 875</i>	<i>24 637 485</i>	<i>31 238 524</i>	<i>24 563 355</i>	<i>26 226 359</i>
<i>Earnings per share before dilution, SEK</i>	<i>-0,73</i>	<i>-0,63</i>	<i>-3,95</i>	<i>-2,15</i>	<i>-2,87</i>
<i>Earnings per share after dilution, SEK</i>	<i>-0,73</i>	<i>-0,63</i>	<i>-3,95</i>	<i>-2,15</i>	<i>-2,87</i>
 Net profit relating to					
Shareholders of the Parent Company	-17 153	-14 536	-93 040	-48 962	-66 392
 <i>Total results of the Group:</i>					
Net profit (loss) end of the period	-17 153	-14 536	-93 040	-48 962	-66 392
Other profit	-292	-54	-1 059	-205	-135
Net profit (loss)	-17 445	-14 590	-94 099	-49 167	-66 527

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

Condensed Consolidated Balance Sheet for the Group

Balance sheet (TSEK)	2018-09-30	2017-09-30	2017-12-31 **
Assets			
Capitalized development costs	62 497	56 124	56 013
Goodwill	52 569	53 669	52 569
Program rights	11	80	63
Tangible assets	1 702	529	1 634
Deferred tax asset	76 661	65 906	81 871
Other long-term receivables *	41 386	14 145	41 409
Inventories	8 312	6 823	8 056
Current receivables *	33 001	18 259	34 003
Cash and bank balances	47 511	31 284	26 492
Total assets	323 650	246 820	302 110
Equity and liabilities			
Equity *	95 703	172 404	209 728
Provisions	1 791	2 997	1 791
Long-term liabilities	161 005	42 130	56 016
Current liabilities	65 151	29 290	34 575
Total equity and liabilities	323 650	246 820	302 110
Pledged assets	76 705	94 333	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

	July-Sept 2018	July-Sept 2017	Jan - Sept 2018	Jan - Sept 2017	Jan - Dec 2017 *
Cash flow analysis (TSEK)					
Profit (loss) after financial items	-17 146	-18 575	-87 810	-62 583	-83 642
Adjustments for non-cash items, etc.	7 606	5 964	22 368	15 432	24 190
Paid taxes	-864	-282	-1 904	-846	-757
Cash flow from operating activities before working capital change	-10 404	-12 893	-67 346	-47 997	-60 209
Changes in inventories	-1 836	732	-255	-606	-1 839
Changes in operating receivables	1 652	7 277	1 303	13 404	-1 089
Changes in operating liabilities	-1 797	-8 994	6 245	-19 235	-14 379
Cash flow from operating activities	-12 385	-13 878	-60 053	-54 433	-77 515
Investments in intangible assets	-8 760	-5 286	-27 942	-17 471	-66 088
Cash flow from investing activities	-8 760	-5 286	-27 942	-17 471	-66 088
Cash flow from financing activities	3 360	20 830	109 015	27 878	94 784
Cash flow	-17 784	1 666	21 020	-44 026	-48 819
Cash, beginning of period	65 296	29 618	26 492	75 311	75 311
Cash, end of period	47 511	31 285	47 511	31 285	26 492

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

Condensed Consolidated Changes in Equity for the Group

Equity (TSEK)	July - Sept 2018	July - Sept 2017	Jan - Sept 2018	Jan - Sept 2017	Jan - Dec 2017 *
Equity, beginning of period	108 598	176 994	209 727	208 378	208 378
Cash issue	0	0	0	4 448	14 478
Issue expenses	0	0	0	0	-346
Non-registered issue	0	10 000	0	5 875	-4 478
Non-registered issue	104	0	104	0	939
Share-based compensation	0	0	625	0	54 413
Holdings of own shares	4 445	0	4 445	0	0
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	-292	-54	-1 059	-205	-135
Result for the period	-17 153	-14 536	-93 040	-48 962	-66 392
Equity, end of period	95 702	172 404	95 702	172 404	209 727

Consolidated Key Data and Figures for the Group

Key data and figures	July - Sept 2018	July - Sept 2017	Jan - Sept 2018	Jan - Sept 2017	Jan - Dec 2017
Operating revenues (TSEK)	30 794	23 860	80 431	65 791	100 206
Gross profit (TSEK)	26 519	17 327	63 031	50 917	77 512
Gross margin (%)	86%	73%	78%	77%	77%
EBITDA (TSEK)	-5 720	-10 402	-45 316	-42 799	-53 672
Operating profit (TSEK)	-13 325	-16 365	-67 683	-58 230	-76 909
Net profit (loss) (TSEK)	-17 153	-14 536	-93 040	-48 962	-66 392
Earnings per share (SEK) before dilution	-0,73	-0,63	-3,95	-2,15	-2,87
Earnings per share (SEK) after dilution	-0,73	-0,63	-3,95	-2,15	-2,87
Price per earnings (SEK)	N/A	N/A	N/A	N/A	-8,34
Equity per share	4,06	7,53	4,06	7,53	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	31 631 875	24 637 485	31 631 875	24 637 485	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	31 256 875	24 637 485	31 238 524	24 563 355	26 226 359
Number of employees at the end of period	179	157	179	157	155
Average number of employees	170	159	167	159	149
Number of employees and external resources at end of period	187	167	187	167	163
Equity/assets ratio (%)	30%	70%	30%	70%	69%
Quick ratio (%)	124%	169%	124%	169%	175%
Net debt (-), Net cash (+) (TSEK)	-113 494	-10 846	-113 494	-10 846	-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.

The Group currently evaluates the segment reporting structure from 2019 and onwards. The reason for this evaluation is a somewhat altered Management approach according to IFRS 8. During 2018 management has started to review the Group's business performance, not only as presented below, but also in parallel reviewing the revenues and the order intake from a geographical point of view (as presented above), in combination with a total and functional cost base break down.

(TSEK)	Enterprise		Communication Service Providers		Group-wide/ elimination				Total Group	
Period July - Sept	2018	2017	2018	2017	2018		2017		2018	2017
Revenue										
External revenue	27 824	21 471	1 589	2 098	0	0	0	0	29 413	23 569
Internal revenue	0	0	0	0	7 300	-7 300	1 500	-1 500	0	0
Other income	1 381	291	0	0	0	0	0	0	1 381	291
Total revenue	29 205	21 762	1 589	2 098	7 300	-7 300	1 500	-1 500	30 794	23 860
Operating profit (loss)	-7 995	-9 819	-5 330	-6 546	0	0	0	0	-13 325	-16 365
Other information										
Operational assets	194 190	148 092	129 460	98 728	0	0	0	0	323 650	246 820
Operational liabilities	39 091	17 574	26 060	11 716	0	0	0	0	65 151	29 290
Investments	3 461	1 678	5 299	3 608	0	0	0	0	8 760	5 286
Depreciation and Amortizations	4 115	3 482	3 490	2 481	0	0	0	0	7 605	5 963
Goodwill	52 569	53 669	0	0	0	0	0	0	52 569	53 669

For more information and description about the operating segments, see the Annual report for 2017, at www.clavister.com

Order Intake

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

Summary of Order Intake (TSEK)	July - Sept 2018	July - Sept 2017	July - Sept Variance (%)	Jan - Sept 2018	Jan - Sept 2017	Jan - Sept Variance (%)
<i>Focus Markets:</i>						
Nordics	12 646	8 130	56%	33 155	24 805	34%
DACH-Region	2 974	2 386	25%	9 979	5 814	72%
Japan	1 166	4 217	neg.	7 057	6 578	7%
<i>Other Markets:</i>						
Italy	446	558	neg.	1 836	1 541	19%
China and South East Asia	3 087	2 245	38%	7 003	6 999	0%
Rest of the World	7 225	4 226	71%	17 256	14 881	16%
Communication Service Providers	2 532	2 098	21%	4 882	5 173	neg.
Total Order Intake	30 077	23 860	26%	81 168	65 792	23%

Share Capital

The company's share capital amounts to 2,356,205 SEK, with a par value of 0.1 SEK per share.

Shareholders and Shares

Clavister Holding's shares are listed on Nasdaq First North. There is only one type of share in existence. Each share represents one vote at the General Meeting. The number of shareholders per end of September amounted to 5,563. The number of registered shares as per September 30 were 23,562,050.

	Number of shares 2018-09-30	% of total number
The 10 largest shareholders		
Försäkringsaktiebolaget, Avanza Pension	2 623 095	11,1%
Ålandsbanken ABP, Bank of Åland Ltd	1 259 944	5,3%
Danica Pension	1 099 663	4,7%
Fondita Nordic Micro Cap SR	1 010 000	4,3%
RGG Adm-Gruppen AB	960 000	4,1%
Nordnet Pensionsförsäkring AB	767 652	3,3%
Norrlandsfonden	611 532	2,6%
Fondita 2000+	543 000	2,3%
AMF Aktiefond Småbolag	531 060	2,3%
Stenberg, Vidar	505 292	2,1%
Other Shareholders	13 650 812	57,9%
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	2018-09-30

In additional, new share issues in 2016-2038, due to warrants and convertibel loan

8 069 825

Number of shares after full dilution

31 631 875

Share Related Programs (warrants) and Convertible loan

Warrants

There are five current incentive programs addressed to key employees, totally 1 725 800 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 and has therefore not affected the Group's Income statement by any charges.

There are additionally five warrant programs linked to loan financing, of which a total of 4,312,608 warrants mature in 2020, 19,801 warrants mature in 2026 and 1,770,079 warrants in 2037. During the second quarter an additional program was added with a total amount of warrants of 36,703 for the EIB, with maturity date in 2038. The total numbers of warrants linked to financing amounts to 6,139,191.

Holders of warrants will be entitled to subscribe for one new share in the company for each warrant. The number of warrants issued amounts to a total of 7,864,991 warrants.

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

Clavister considers it a positive undertaking to offer warrants in order to foster commitment, interest and loyalty among warrant holders, something that is beneficial to 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
TO 2018 - 2021-05-31	750 000	0	750 000	0,1
	7 864 991	0	7 864 991	

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 date of the convertible is in 2022. The interest rate is based on STIBOR 90. If there is still a negative interest rate, no interest payment will be paid to 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

	July - Sept 2018	July - Sept 2017	Jan - Sept 2018	Jan - Sept 2017	Jan - Dec 2017 *
Income statement (TSEK)					
Net sales	3 900	1 500	11 700	4 500	6 000
Staff costs	-2 168	-1 090	-6 731	-3 111	-3 537
Other external costs	-2 313	-1 115	-8 498	-2 569	-4 870
EBIT	-581	-705	-3 529	-1 180	-2 407
Financial items	-2 011	-249	-6 124	-573	-2 676
Result after financial items	-2 592	-954	-9 653	-1 753	-5 083
Taxes	0	0	-17	0	378
Net result	-2 592	-954	-9 670	-1 753	-4 705

Condensed Parent Company Balance Sheet

Balance sheet (TSEK)	2018-09-30	2017-09-30	2017-12-31 *
Assets			
Shares in group companies	611 295	252 955	578 217
Receivables from group companies	2 148	286 576	19 845
Long-term receivables	0	0	8 255
Deferred tax asset	251	0	268
Current receivables	10 186	62	4 917
Cash and bank balances	657	18 576	11 471
Total assets	624 536	558 169	622 973
Equity and liabilities			
Equity	556 261	513 471	565 203
Long-term liabilities	62 158	42 130	55 159
Current liabilities	6 117	1 568	2 611
Total equity and liabilities	624 536	557 169	622 973
Pledged assets	135 968	516 515	146 957
Contingent liabilities	0	0	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
Gross margin	Gross profit in relation to operating revenues
Operating costs	Personnel costs and Other external expenses
EBITDA	Earnings before interest, tax, depreciation and amortization
Operating profit	Operating revenues minus operating costs, after depreciation and 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
	<i>According to IAS 33, earnings per share, profit after dilution shall be reported to the same amount as earnings per share before dilution</i>
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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