

INTERIM REPORT
CLAVISTER HOLDING AB (PUBL)
JANUARY – MARCH 2020

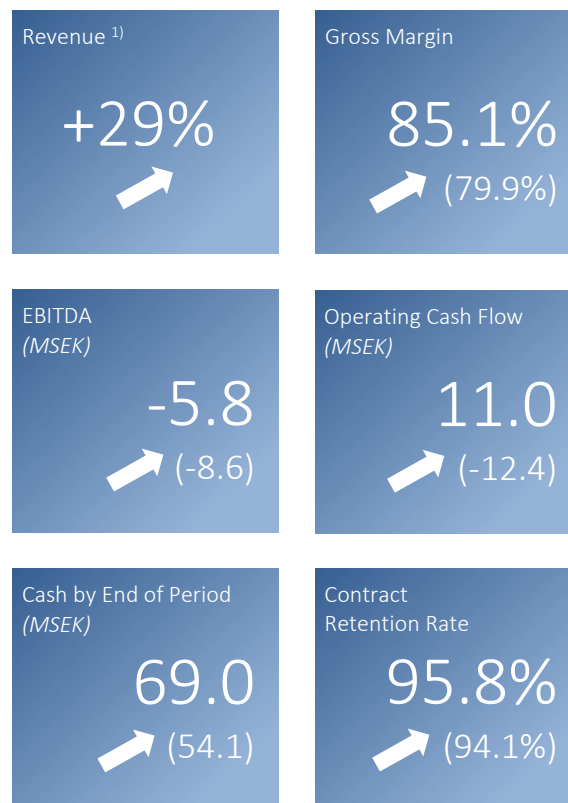


SUMMARY OF PERIOD JANUARY – MARCH 2020

Financial Summary

- Revenue: 33.2 (26.5) MSEK
- Net Sales: 29.3 (26.9) MSEK
- Gross Profit: 28.3 (21.2) MSEK
- Gross Margin: 85.1 (79.9)%
- EBITDA: -5.8 (-8.6) MSEK
- EBIT: -17.3 (-18.8) MSEK
- Net Profit: -39.5 (-28.5) MSEK
- Operating Cash Flow: 11.0 (-12.4) MSEK
- Cash by End of Period: 69.0 (54.1) MSEK
- Earnings per Share: -1.54 (-1.21) SEK

Key Metrics



¹⁾ Adjusted for divested Chinese operations

Comparative figures are according to the adopted Annual Accounts of 2019. Numbers within parentheses refer to the corresponding period or date of last year, unless otherwise specified.

A NOTE ON THE REPORT FORMAT

We are pleased to introduce our new reporting format to the Clavister shareholder and analyst community. The purpose of this new format is demonstrate equity value to our shareholders by offering a simplified means of monitoring Clavister's financial and operational performance in accordance with the best practice reporting of our global industry peers. As Clavister has effectively completed its implementation of IFRS 15 and 16 over the last 2 years, much of the legacy impact of that implementation is now past. As with our peers in the global enterprise software industry, some of the primary key metrics which we will continue to focus on are revenue growth, recurring revenue, retention rate, operating margins and cash flow.

We believe that with this new reporting format, our investors and analysts will have a much more transparent and clear understanding of the dynamics of Clavister's business, especially as it compares to the global cyber-security market. As always, we are very much looking forward to hearing your feedback on this new reporting format, and how we can make things more transparent for our valued investors.

COMMENTS BY THE CEO

Our first quarter of 2020 was characterized by an increased demand of our solutions, further development of our business in several areas and close monitoring of the COVID-19 pandemic. Strong revenue growth was combined with operational improvements which resulted in good cash flow for the period.

FINANCIAL DEVELOPMENT

Revenue increased by 25% (29% after adjustment for the divestment of our Chinese operations), driven by growth in all our markets. We already see returns from the investments in sales and marketing capacity we made in 2019. Our assessment is that we have considerable upside still to gain over time from those investments, both in our transactional channel sales and in our global key accounts.

We have continued to optimize our direct cost of sales, which was demonstrated in the quarter by a gross margin of over 85%.

Our operational expenses were slightly reduced compared to last year at -43.3 (-44.0) MSEK. The restructuring activities carried out in 2019 have allowed us to scale-up with required sales capacity in our focus areas, without affecting our total expenses.

Operating result before depreciation (EBITDA) amounted to -5.8 (-8.6) MSEK. Total operating cash flow amounted to 11 MSEK, thanks to customer payments for significant orders in the previous quarter and for completion of customer deliveries from orders earlier in 2019.

Cash balance at the end of the quarter amounted to 69.0 (54.1) MSEK.

BUSINESS DEVELOPMENT

I am very pleased that our dedicated focus on support and customer satisfaction continue to attract new customers, but even more rewarding, that the vast majority of our clients tend to stay with us for a very long time. In a highly competitive market, our Contract Retention Rate remains very high at over 95%.

Our Network Security product family, representing approximately 70% of our business, has for the first time exceeded 18,000 active commercial license contracts, an increase of almost 8,000 contracts since the first quarter of 2019.

Within our Identity and Access Management product family, we have seen a strong pipeline of very large enterprise and government opportunities being built in the past six months. We look forward to see some of those opportunities materialize into concrete business this year.

Collaboration with our large account clients continues on a positive trajectory across the board. A good example is Nokia who has grown to become a very valuable customer and partner to Clavister over the last 24 months, to the point where Clavister is now a trusted advisor to Nokia in a wide range of security matters. We are exploring additional areas of cooperation where our vast array of use cases can contribute to Nokia's success within the network security arena.

The majority of our business development activities relate to building a predictable recurring revenue base. Whether our customers are served from the cloud or through innovative on premise solutions, we are committed to tap into the subscription economy to drive faster and more predictable growth.

CLAVISTER AND COVID-19

Clavister is fortunate to operate in an industry which is predicted to be less affected than most others by the Covid-19 pandemic. Due to the work-from-home policies implemented by most companies and countries, we are seeing an increased demand for secure communication and for indisputable identification of users.

Nonetheless, we continue to give the pandemic our very close attention. The safety of our employees as well as the business continuity of our clients are our highest priorities. We remain committed to our customers to ensure they receive any support they may require from us during these very troubling times.

We have implemented solid contingency plans to optimize our liquidity in case the pandemic lingers and causes a significant slowdown in the global network security market. So far, however, we have not noted any significant impact on Clavister's business.

OUTLOOK

Our mid-term ambition is to deliver profitable growth achieving a sustainable break-even level.

Assuming we can continue our revenue growth trajectory (with limited impact by the COVID-19 crisis and resulting economic fallout), our goal for 2020 is to demonstrate considerable improvement of both operational results as well as operational cash-flow.

I want to thank you for your interest in Clavister and look forward to share this exciting journey with you.

John Vestberg,
President and CEO
Örnsköldsvik, Sweden, 6 May 2020

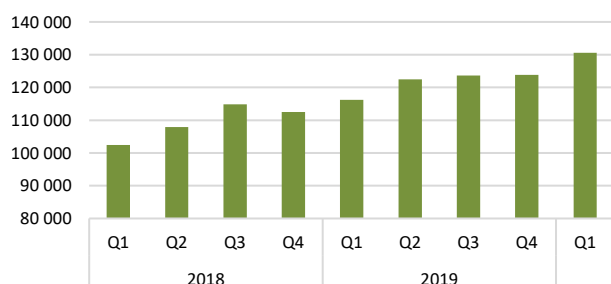


COMMENTS ON CLAVISTER'S INTERIM FINANCIAL STATEMENTS

REVENUE

Total revenue for the quarter amounted to 33.2 (26.5) MSEK, a year-on-year increase of 25%. Adjusted for the divested Chinese operations, the corresponding growth amounted to 29%.

REVENUES T12M



Recurring revenue from software subscriptions and other term-based contracts grew with 27% in the quarter and represented 52% of the total revenue.

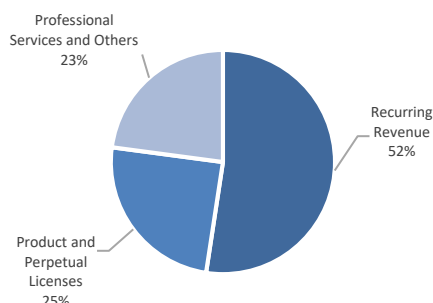
Revenue from pre-paid contracts recognizable over contract term (deferred revenue) amounted to 51.8 (36.5) MSEK at 31 March 2020.

All markets contributed with growth in the quarter.

REVENUE BY TYPE – 2020 Q1

(TSEK)	2020 Jan - Mar	2019 Jan - Mar	Y/Y (%)	2019 Jan - Dec
Recurring Revenue from Subscriptions	17 412	13 724	27%	60 413
Product and Perpetual License Revenue	8 242	7 882	5%	40 921
Professional Services and Others	7 567	4 923	54%	22 506
Total	33 221	26 529	25%	123 840

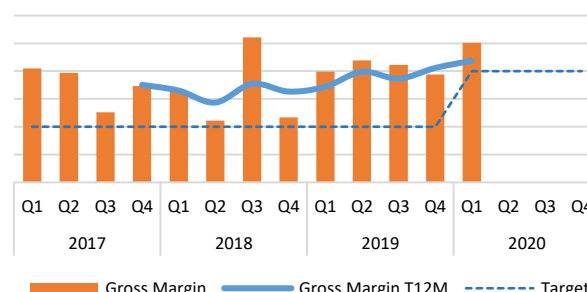
REVENUE BY TYPE - 2020-Q1



GROSS MARGIN AND GROSS PROFIT

Gross margin increased to 85.1% (79.9)%. The increase mainly relates to lowered third-party costs for technology licenses and appliance hardware, the divestment of the Chinese operations and product mix in general.

GROSS MARGIN PER QUARTER



Gross profit for the quarter amounted to 28.3 (21.2) MSEK, an increase by 33%.

OPERATING EXPENSES AND RESULT

Total operating expenses amounted to -43.3 (-44.0) MSEK.

Personnel expenses amounted to -35.8 (-35.5) MSEK. The nominal increase relates to normal salary increases in combination with fewer employees. Other external expenses amounted to -7.6 (-8.5) MSEK and consist mainly of marketing, IT and communication, travel and external consultants.

Operating result before depreciation (EBITDA) amounted to -5.8 (-8.6) MSEK. The improvement is attributed to the stronger gross profit, but negatively affected with -4.5 MSEK by reduced capitalized development in the period.

Depreciation amounted to -11.5 (-10.2) MSEK, whereof -1.7 (-1.8) MSEK is attributed to IFRS 16.

Operating result (EBIT) amounted to -17.3 (-18.8) MSEK, again negatively affected with -4.5 MSEK by the reduced capitalized development in the period.

FINANCIAL NET

Financial income and expenses amounted to -22.2 (-9.7) MSEK, whereof items impacting cash amounted to -0.1 (-0.1) MSEK and refers to interest income and interest for factoring.

Currency revaluations for long-term liabilities had a negative impact of -13.0 (-2.2) MSEK. Amortization of warrants costs had an impact of -3.4 (-3.2) MSEK. Long-term liability interest and leasing contracts under IFRS 16 amounted to -5.8 (-4.3) MSEK.

RESULT AFTER TAXES

Result after taxes amounted to -39.5 (-28.5) MSEK.

INVESTMENTS IN TANGIBLE ASSETS

No investments in tangible assets were made.

CAPITALIZED DEVELOPMENT

Capitalized expenditures amounted to 9.3 (14.2) MSEK. Capitalization of development costs is driven by development working hours as applied to a growing product portfolio.

CAPITALIZED DEVELOPMENT – 2020 Q1

(TSEK)	2020 Jan - Mar	2019 Jan - Mar	Y/Y (%)	2019 Jan - Dec
Capitalization of Development Costs	9 327	14 205	-34%	46 613
Amortization of Capitalized Development Costs	-9 284	-7 830	19%	-32 503
Change in Capitalization of Development Costs	43	6 375	-99%	14 110

BALANCE SHEET AND FINANCIAL POSITION

Shareholders' Equity and Liabilities

Equity amounted to -129.1 (38.2) MSEK. The decrease compared to last year is to a large extent related to the write-down of deferred tax assets in 2019. Negative group equity is not an issue from a Companies Act perspective. Equity for the parent company Clavister Holding AB amounted to 315.0 (436.3) MSEK.

Interest-bearing Liabilities

On 31 March 2020, interest-bearing liabilities amounted to 276.5 (239.3) MSEK, distributed between long-term of 270.9 (233.2) MSEK and short-term of 5.6 (6.1) MSEK. The increase in interest-bearing liabilities is attributed to the drawdown of the third tranche of the loan from the European Investment Bank (EIB) and currency revaluations.

Financial Net Debt

At 31 March 2020, the financial net debt amounted to -207.5 (-185.2) MSEK.

CASH-FLOW

Cash flow from operating activities amounted to 11.0 (-12.4) MSEK. The improvement is related to the improved operational result and to favourable movements of working capital derived from customer payments for significant orders in the previous quarter and for completion of customer deliveries from orders earlier in 2019.

Cash flow from investing activities amounted to -20.3 (-14.2) MSEK and is primarily attributed to capitalization of development costs. During the period this item includes acquisition of licensing rights of 11.0 MSEK.

Cash flow from financing activities amounted to 7.4 (-1.5) MSEK. The change compared to the previous year relates to the remaining debt on acquisition of license rights of 9.1 MSEK, and -1.7 MSEK, relates to the amortization of lease liabilities.

Change in cash position was -2.0 (-28.0) MSEK. Cash balance amounted to 69.0 (54.1) MSEK at 31st of March 2020.

IMPAIRMENT TESTING

In connection with the annual accounts for 2019, impairment testing resulted in a write-down of deferred tax assets in Clavister AB. This non-cash impairment charge is charged to the Group's result in 2019 to a total of 76.4 MSEK. No further impairment need with impact on the Group's consolidated results has been identified during the quarter.

MARKET

For market information, please refer to the latest annual report on Clavister's website.

PERSONNEL AND ORGANIZATION

At 31 March 2020, the number of full-time equivalent employees (FTE) amounted to 132 (173). The decrease in FTEs is mainly attributed to the divestment of the Chinese operations and the closing of an R&D site in Umeå, Sweden. Clavister also engaged external consultants corresponding to 6 (6) persons at the end of the period.

DISPUTES AND LITIGATIONS

There were no disputes or legal proceedings of significant financial impact during the reporting period. For further information, please see Annual Report 2019, section Contingent Liabilities (Sv: Årsredovisning 2019, stycke Eventualförpliktelse).

TRANSACTIONS WITH RELATED PARTIES

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

RISKS AND UNCERTAINTIES

Please see the Annual Report 2019, where an extensive summary is provided of risks and uncertainties in the business that could significantly affect the results and share performance.

MATERIAL POST-CLOSING EVENTS

Nothing to report.

OUTLOOK AND PLANNING ASSUMPTIONS

For the fiscal year 2020, Clavister expects to deliver considerable improvements of EBITDA, EBIT and Operational Cash-Flow.

The outlook is based on the following assumptions:

- Increased revenue growth in FY 2020 over FY 2019
- Normal seasonality with Q4 being the strongest quarter
- Higher growth in H2 vs H1 due to customer roll-out plans
- 80%+ gross margin; variations over quarters due to product mix
- Operating expenses on same levels as for FY 2019
- Reduced capitalized development expenses with 10 MSEK
- Limited impact by the COVID-19 pandemic

Clavister's mid-term ambition is to deliver profitable growth, achieving a sustainable break-even level.

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

(TSEK)	2020	2019	2019
	Jan - Mar	Jan - Mar	Jan - Dec
Net Sales	29 333	26 900	123 061
Other Revenue	3 888	-370	406
Total Revenue	33 221	26 530	123 467
COGS	-4 936	-5 337	-23 977
Gross Profit	28 285	21 193	99 490
Capitalized Development	9 327	14 205	46 613
Personnel Expenses	-35 800	-35 497	-140 988
Other External Expenses	-7 604	-8 467	-40 175
Profit from Participations in Subsidiaries	0	0	-3 971
EBITDA	-5 792	-8 566	-39 031
Depreciation and Amortization	-11 521	-10 188	-41 433
EBIT	-17 313	-18 754	-80 464
Financial Items	-22 210	-9 735	-32 042
Result after Financial Items	-39 523	-28 489	-112 506
Taxes	6	-11	-75 663
Net Profit/Loss	-39 517	-28 500	-188 169
<i>Average number of shares before dilution</i>	<i>25 659 550</i>	<i>23 562 050</i>	<i>24 610 800</i>
<i>Average number of shares after dilution</i>	<i>32 929 633</i>	<i>31 631 875</i>	<i>32 280 754</i>
<i>Earnings per share before dilution, SEK</i>	<i>-1,54</i>	<i>-1,21</i>	<i>-7,65</i>
<i>Earnings per share after dilution, SEK</i>	<i>-1,54</i>	<i>-1,21</i>	<i>-7,65</i>
Net Profit relating to Shareholders of the Parent Company	-39 517	-28 500	-188 169
<i>Total Results of the Group:</i>			
Net Profit/Loss End of the Period	-39 517	-28 500	-188 169
Other Profit		-43	40
Net Profit/Loss	-39 517	-28 543	-188 129

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

(TSEK)	2020-03-31	2019-03-31	2019-12-31
ASSETS			
<i>Non-Current Assets</i>			
Capitalized Development Costs	88 630	72 097	78 166
Goodwill	51 875	52 569	51 875
Right of use Assets	18 834	25 041	20 451
Tangible Fixed Assets	0	126	0
Deferred Tax Asset	478	76 771	478
Other Long-term Receivables	16 901	31 334	16 901
Total Non-Current Assets	176 718	257 939	167 870
<i>Current Assets</i>			
Inventories	6 969	5 918	8 000
Current Receivables	39 247	45 487	56 462
Cash and Bank Balances	68 984	54 127	70 942
Total Current Assets	115 200	105 531	135 404
TOTAL ASSETS	291 918	363 470	303 275
EQUITY AND LIABILITIES			
<i>Equity</i>			
Equity	-129 063	38 218	-89 283
Total Equity	-129 063	38 218	-89 283
LIABILITIES			
<i>Long-term Liabilities</i>			
Convertible Debentures	8 687	8 144	8 545
Liabilities to Credit Institutions	247 588	205 048	220 451
Lease Liabilities	14 637	20 027	15 987
Deferred Tax Liabilities	814	1 302	814
Total Long-term Liabilities	271 726	234 522	245 796
<i>Current Liabilities</i>			
Liabilities to Credit Institutions	54 430	0	53 709
Lease Liabilities	5 602	6 144	5 992
Accounts Payable	9 453	8 669	5 169
Other Liabilities	5 686	8 934	6 946
Deferred Revenues	51 802	36 499	49 040
Accrued Expenses	22 280	30 483	25 906
Total Current Liabilities	149 255	90 729	146 762
TOTAL LIABILITIES	420 980	325 251	392 558
TOTAL EQUITY AND LIABILITIES	291 918	363 470	303 275

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHANGES IN EQUITY			
(TSEK)	2020	2019	2019
	Jan - Mar	Jan - Mar	Jan - Dec
Equity, Beginning of Period	-89 283	66 738	66 738
Issue Expenses	0	0	-2 500
Non-registered Issue	0	0	35 658
Due, not Redeemed Warrants	-322	0	-1 566
Share-based Compensation	0	0	558
Other total Income for the Period	59	-19	-2
Result for the Period	-39 517	-28 500	-188 169
Equity, End of Period	-129 063	38 219	-89 283

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT

(TSEK)	2020 Jan - Mar	2019 Jan - Mar	2019 Jan - Dec
Profit/Loss before Taxes	-39 523	-28 489	-112 506
Reversal of Depreciation and Write-downs	11 521	10 188	41 433
Other Adjustments for Non-cash Items, etc ^{*)}	13 903	2 743	-2 724
Disposal of Subsidiaries - Equity	0	0	3 277
Disposal of Subsidiaries - Goodwill	0	0	694
Paid Taxes	-444	-403	-25
Cash Flow from Operating Activities before Working Capital Changes	-14 543	-15 961	-69 850
Changes in Inventories	1 030	-474	-2 977
Changes in Operating Receivables	17 218	2 485	-15 214
Changes in Operating Liabilities	7 262	1 580	30 479
Cash Flow from Operating Activities	10 967	-12 370	-57 562
Acquisition of Property, Plant and Equipment	-10 976	0	0
Investment of Capitalized Development Work	-9 328	-14 205	-46 613
Divestment of Subsidiaries	0	0	-298
Other Acquisition of Financial Fixed Assets	0	0	14 433
Cash Flow from Investing Activities	-20 304	-14 205	-32 478
Borrowings	0	0	53 904
Amortization of Leasing Liabilities	-1 739	0	-7 247
New Share Issue, incl Transaction Costs	0	0	31 592
Other Changes in Financing Activities	9 118	-1 474	558
Cash Flow from Financing Activities	7 379	-1 474	78 806
Change in Cash Position	-1 958	-28 049	-11 234
Cash, Beginning of Period	70 942	82 176	82 176
Cash, End of Period	68 984	54 127	70 942

^{*)} "Other adjustments for non-cash items, etc " consists of exchange rate gains/loss for loans in other currencies, capitalized expenses associated with loans and interest for convertible loans.

PARENT COMPANY CLAVISTER HOLDING AB

CONDENSED INCOME STATEMENT

(TSEK)	2020	2019	2019
	Jan - Mar	Jan - Mar	Jan - Dec
Net Sales	1 734	125	430
Total Revenue	1 734	125	430
Personnel Expenses	-2 813	-1 669	-6 029
Other External Expenses	-1 385	-1 553	-6 621
EBITDA	-2 464	-3 097	-12 220
Write-down of Shares in Subsidiaries	0	0	-135 000
Financial Items	-1 903	-2 010	-6 793
Result after Financial Items	-4 367	-5 107	-154 013
Taxes	0	0	117
Net Profit/Loss	-4 367	-5 107	-153 896

CONDENSED BALANCE SHEET

(TSEK)	2020-03-31	2019-03-31	2019-12-31
ASSETS			
Fixed Assets			
Shares in Group Companies	558 295	513 295	478 295
Long-term Receivables	0	3 815	0
Deferred Tax Asset	478	361	478
Total Fixed Assets	558 773	517 471	478 773
Current Assets			
Current Receivables	3 746	8 349	4 613
Cash and Bank Balances	6 737	985	8 594
Total Current Assets	10 483	9 334	13 207
TOTAL ASSETS	569 256	526 805	491 981
EQUITY AND LIABILITIES			
Equity			
Equity	314 960	436 289	319 650
Total equity	314 960	436 289	319 650
LIABILITIES			
Long-term Liabilities			
Convertible Debentures	8 687	8 144	8 545
Liabilities to Credit Institutions	0	48 717	0
Liabilities to Group Companies	188 006	28 162	108 006
Total Long-term Liabilities	196 693	85 023	116 551
Current Liabilities			
Liabilities to Credit Institutions	49 644	0	49 358
Accounts Payable	1 010	496	709
Other Liabilities	330	270	234
Accrued Expenses	6 620	4 727	5 478
Total Current Liabilities	57 603	5 493	55 780
TOTAL LIABILITIES	254 296	90 516	172 330
TOTAL EQUITY AND LIABILITIES	569 256	526 805	491 981

NOTES

NOTE 1 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).

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, ÅRL (the Swedish Annual Accounts Act) and RFR 2, Accounting for legal entities, issued by the Swedish Financial Reporting Board. The same accounting principles and methods of computation are followed in this interim financial statement, as in the most recent annual financial statements 2019.

NOTE 2 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.

Management reviews the Group's business performance from an order intake perspective, totally and broken down into separate markets, in combination with a total and functional cost base breakdown. Hence, no segment reporting is applicable to the group.

NOTE 3 SHAREHOLDERS AND SHARES

The share capital amounts to 2,565,955 SEK, with a par value of 0.1 SEK per share.

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.

At 31 March 2020, the number of shareholders amounted to 4,994 and the number of registered shares were 25,659,550.

THE 10 LARGEST SHAREHOLDERS

(Per 2020-03-31)	Number of Shares	% of Total
HSBC Trinkhaus and Burkhardt AG	2 669 993	10,4%
Försäkringsaktiebolaget, Avanza Pension	2 283 130	8,9%
Goldman Sachs International	1 237 500	4,8%
Tommy Forsell	1 161 264	4,5%
RGG ADM-Gruppen AB	1 113 006	4,3%
Futur Pension	1 064 473	4,1%
Clearstream Banking	1 031 029	4,0%
Fondita 2000+	753 000	2,9%
RBC Investor Services Bank	600 000	2,3%
Vidar Stenberg	567 324	2,2%
Other Shareholders	13 178 831	51,4%
Total Number of Shares registered with the Companies Registration Office	25 659 550	100,0%
Additional shares potentially issued in 2020 through 2038, due to warrants and convertible loan	7 270 083	
Total Number of Shares after Full Dilution	32 929 633	

NOTE 4 SHARE-RELATED PROGRAMS (WARRANTS) AND CONVERTIBLE LOAN

WARRANTS

There are two current incentive programs addressed to key employees with a total of 1,050,000 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 with a total amount of warrants of 5,870,249, related to loan financing. 4,043,666 warrants mature in 2020, 19,801 warrants mature in 2026, 1,770,079 warrants mature in 2037 and 36,703 warrants mature in 2038.

Holders of warrants will be entitled to subscribe for one new share in the company for each warrant. The total number of issued warrants amounts to 6,920,249.

WARRANTS

	Number Issued	Redeemed / Due	Open	Share Price, SEK
TO 2016-2026	19 801	0	19 801	0,1
TO 2017 - 2020-02-28	70 000	70 000	0	72
TO 2017 - 2020-02-28	75 000	75 000	0	79
TO 2017 - 2020*	2 793 666	0	2 793 666	19,76
TO 2017 - 2020	1 250 000	0	1 250 000	0,1
TO 2017 - 2037	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	36,3
TOTAL	7 065 249	145 000	6 920 249	

*) Warrants related to loan financing. In connection with new share issue during 2019, the number of warrants and the conversion price have been adjusted, from 20 SEK to 19.76 SEK. Due to a lowered interest rate for one of the loans, the loan agreement stipulates a reduction of warrants. The reduction amounts to 268,942 warrants.

CONVERTIBLE LOAN

Norrlandsfonden currently has a convertible debenture of 10 MSEK, with a conversion price of 48.82 SEK and a maturity date in 2022. The interest rate is based on STIBOR 90 with a floor of 0%.

CONVERTIBLE LOANS

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

NOTE 5 KEY DATA AND FIGURES**KEY DATA AND FIGURES**

	2020 Jan - Mar	2019 Jan - Mar	2019 Jan - Dec
Net Sales (TSEK)	29 333	26 900	123 061
Total Revenue (TSEK)	33 221	26 530	123 467
Gross Profit (TSEK)	28 285	21 193	99 490
Gross Margin (%)	85%	80%	81%
EBITDA (TSEK)	-5 792	-8 566	-39 031
Operating Profit (TSEK)	-17 313	-18 754	-80 464
Net Profit/Loss (TSEK)	-39 517	-28 500	-188 169
Earnings Per Share (SEK) before Dilution	-1,54	-1,21	-7,65
Earnings per Share (SEK) after Dilution	-1,54	-1,21	-7,65
Price per Earnings (SEK)	N/A	N/A	-1,98
Equity per Share	-5,03	1,62	-3,79
Number of Shares before Dilution (EoP)	25 659 550	23 562 050	25 659 550
Number of Shares after Dilution (EoP)	32 929 633	31 631 875	32 929 633
Average Number of Shares before Dilution	25 659 550	23 562 050	24 610 800
Average Number of Shares after Dilution	32 929 633	31 631 875	32 280 754
Number of Employees (FTE) (EoP)	132	173	150
Average Numbers of Employees (FTE)	141	175	178
Number of Employees and External Resources (EoP)	138	179	156
Equity/Assets Ratio (%)	Negative	11%	Negative
Quick Ratio (%)	73%	110%	87%
Net Debt (-), Net Cash (+) (TSEK)	-207 530	-185 237	-180 032

NOTE 6 PLEDGED ASSETS**PLEDGED ASSETS IN GROUP**

(TSEK)	2020-03-31	2019-03-31	2019-12-31
Mortgage	50 000	50 000	50 000
Pledged Shares in Subsidiaries	64 169	66 611	64 724
Cash and Cash Equivalents	6 737	985	8 597
TOTAL	120 906	117 596	123 321

PLEDGED ASSETS IN PARENT COMPANY

(TSEK)	2020-03-31	2019-03-31	2019-12-31
Pledged Shares in Group Companies	85 500	85 500	85 500
Mortgage	50 000	50 000	50 000
Cash and Cash Equivalents	6 737	985	8 597
TOTAL	142 237	136 485	144 097

NOTE 7 CONTINGENT LIABILITIES**CONTINGENT LIABILITIES IN GROUP**

(TSEK)	2020-03-31	2019-03-31	2019-12-31
Non-significant Disputes	3 532	0	3 532
TOTAL	3 532	0	3 532

CONTINGENT LIABILITIES IN PARENT COMPANY

(TSEK)	2020-03-31	2019-03-31	2019-12-31
Non-significant Disputes	3 532	0	3 532
TOTAL	3 532	0	3 532

NOTE 8 ALTERNATIVE PERFORMANCE MEASURES

Clavister uses various key figures, including alternative performance measures (APMs), for internal analysis purposes and for external communication of the operations' results, performance and financial position.

The aim of these APMs is to illustrate the performance measures tailored to operations that, in addition to the other key figures, enable various stakeholders to more accurately assess and value Clavister's historical, current and future performance and position.

ALTERNATIVE PERFORMANCE MEASURES

(TSEK)	2020 Jan - Mar	2019 Jan - Mar	2019 Jan - Dec
Order Intake	32 197	29 248	147 039
whereof China	0	767	4 366
Invoiced Sales	32 095	29 248	138 288
whereof China	0	767	4 366
Recurring Revenue	17 412	13 724	60 413
Contract Retention Rate	95.8%	94.1%	72.7%

NOTE 9 DEFINITIONS

Contract Retention Rate – Designates the percentage of customer contracts (e.g. term-based license contracts, support and maintenance contracts etc) Clavister has retained over a given time period.

Invoiced Sales – Total recognized revenue plus the change in deferred revenue during the period. We consider Invoiced Sales to be a useful metric for management and investors because it drives current and future revenue.

Order Intake – Total net sum of all legally binding customer orders in the period.

Recurring Revenue – The portion of revenues that is expected to continue in the future. Unlike one-off sales, these revenues are predictable, stable and can be counted on to occur at regular intervals going forward with a relatively high degree of certainty and with relatively low cost of sales.

SHAREHOLDER INFORMATION

ABOUT CLAVISTER

Clavister is a leading European cybersecurity vendor with over 20 years of experience. Seated in Sweden, the company has customers – communication service providers, governments, enterprises and managed security service providers (MSSPs) – in more than 150 countries. Clavister provides unique security solutions to protect their digital assets and secure business continuity.

FINANCIAL CALENDER

Clavister intends to distribute financial reports on the dates below:

EVENT	DATE
Annual General Shareholders' Meeting	May 19, 2020
Interim report April-June 2020	August 27, 2020
Interim report July-September 2020	November 4, 2020
Interim report October-December 2020	February 10, 2021

Financial reports, press releases, and other business information is available from the date of publication on Clavister's website.

INVESTOR RELATIONS

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THE SHARE

Exchange: Nasdaq First North
 Symbol: CLAV
 ISIN-code: SE0005308558

Any forward-looking statements in this report are based on Clavister's best assessment at the time of the report. Actual result may materially different. Clavister does not publish any forecasts.

The CEO ensures 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.

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

Örnsköldsvik, Sweden, 6th of May, 2020

John Vestberg
 CEO