

**INTERIM REPORT  
CLAVISTER HOLDING AB (PUBL)  
APRIL – JUNE 2020**

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## SUMMARY

### Financial Summary April – June 2020

- Revenue: 29.0 (33.1) MSEK
- Net Sales: 28.5 (32.7) MSEK
- Gross Profit: 24.3 (27.1) MSEK
- Gross Margin: 83.7 (81.9)%
- EBITDA: -7.9 (-7.2) MSEK
- EBIT: -17.2 (-17.8) MSEK
- Net Profit: -12.3 (-25.3) MSEK
- Operating Cash Flow: 9.2 (-9.2) MSEK
- Cash by End of Period: 68.4 (65.6) MSEK
- Earnings per Share: -0.48 (-1.07) SEK

### Key Metrics April – June 2020

Order Intake Y/Y <sup>1)</sup> <b>+49%</b>	Invoiced Sales Y/Y <sup>1)</sup> <b>+15%</b>	Revenue Y/Y <sup>1)</sup> <b>-9%</b>
Recurring Revenue <b>61%</b> (46%)	Gross Margin <b>83.7%</b> (81.9%)	EBITDA (MSEK) <b>-7.9</b> (-7.2)
Operating Cash Flow (MSEK) <b>9.2</b> (-9.2)	Cash by End of Period (MSEK) <b>68.4</b> (65.6)	Contract Retention Rate <b>94.5%</b> (93.5%)

<sup>1)</sup> Adjusted for the divested Chinese operations

### Financial Summary January – June 2020

- Revenue: 62.2 (59.6) MSEK
- Net Sales: 57.9 (59.6) MSEK
- Gross Profit: 52.6 (48.3) MSEK
- Gross Margin: 84.5 (81.0)%
- EBITDA: -13.7 (-15.8) MSEK
- EBIT: -34.5 (-36.5) MSEK
- Net Profit: -51.9 (-53.8) MSEK
- Operating Cash Flow: 20.1 (-21.6) MSEK
- Cash by End of Period: 68.4 (65.6) MSEK
- Earnings per Share: -2.02 (-2.28) SEK

### Key Metrics January – June 2020

Order Intake Y/Y <sup>1)</sup> <b>+32%</b>	Invoiced Sales Y/Y <sup>1)</sup> <b>+14%</b>	Revenue Y/Y <sup>1)</sup> <b>+8%</b>
Recurring Revenue <b>56%</b> (48%)	Gross Margin <b>84.5%</b> (81.0%)	EBITDA (MSEK) <b>-13.7</b> (-15.8)
Operating Cash Flow (MSEK) <b>20.1</b> (-21.6)	Cash by End of Period (MSEK) <b>68.4</b> (65.6)	Contract Retention Rate <b>98.7%</b> (87.1%)

<sup>1)</sup> Adjusted for the 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.

## COMMENTS BY THE CEO

Our second quarter of 2020 saw record order intake, important customer contract wins as well as some operational impacts of the Covid-19 pandemic. Positive operating cash-flow in the period was mainly attributed to improved invoiced sales, higher gross margins and cost and cash management.

### FINANCIAL DEVELOPMENT

Our order intake for the second quarter increased by 49% (adjusted for China), and ended at an all-time high level of 55 MSEK. The increase was driven by substantial growth in almost all of our markets, and further augmented by some larger contract wins towards the end of the period.

We saw a reduction of order intake from the DACH market, attributed to the Covid-19 lockdown in Germany. Our sales pipeline for the DACH market remains healthy and is growing. As such, we believe the order intake reduction to be temporary.

Although our total order intake and invoicing for the period were strong, our recognized revenue decreased by 9% year-on-year due to Covid-19 related project delays, such as travel bans which have restricted deploying professional services engineers to customer sites. At the same time, we were able to win larger customer projects in the quarter where the investment horizon is longer and resulting revenue streams are more predictable.

Our combined order backlog and deferred revenue balance have, as a consequence, reached an all-time high level of 88 MSEK per the end of the quarter, serving as a good platform for future revenue recognition.

Our operational expenses were improved compared to last year at -41 (-45) MSEK as a result of the continued optimization of our operations.

Operating result before depreciation (EBITDA) amounted to -7.9 (-7.2) MSEK. Total operating cash flow improved to 9.2 (-9.2) MSEK, mainly driven by improved invoiced sales, higher gross margins combined with cost and cash management.

Cash balance at the end of the quarter amounted to 68.4 (65.6) MSEK.

### BUSINESS DEVELOPMENT

I'm happy to see that we continue to advance our position in the cybersecurity arena, especially in light of challenging pandemic market conditions. My view is that we still have more upside potential to gain from our previous investments in sales and marketing capacity.

I'm also pleased to see that we are continuously increasing our level of recurring revenues, which is in-line with our ambition to tap into the subscription economy. Our ambition is to support our customers with even more innovative applications and use-cases from our versatile technology platform. Going forward, we see an emerging As-a-Service opportunity for Clavister, where our positioning as an independent European cybersecurity vendor is an important enabler.

During the second quarter, we were happy to announce a new contract with BAE Systems, Europe's largest defense contractor. Clavister products, augmented with certain defense features, will become integrated components in the military and civil vehicle systems produced by BAE Systems.

A multi-year delivery project to the first BAE Systems' end-customer is planned to commence during 2021 following customer procurement procedures, with Clavister revenues at 50 to 90 MSEK, depending on final configuration. Subsequent end-customer projects have the potential of bringing similar-sized business volumes to Clavister.

Similarly, we were able to secure an extension and prolongation of services for IWG, International Workplace Group. IWG is one of the world's largest office providers with over 3,000 sites. Clavister has already a strong deployment footprint with IWG, but this will be increased further as a result of the new contract.

### OUTLOOK

The ambition for the remainder of this year is to continue to deliver improvements of EBITDA, EBIT and operational cash-flow compared to 2019. Our existing customer base and our growing pipeline of new opportunities support this ambition. The ongoing Covid-19 pandemic offers some uncertainty in predicting impact in the global cybersecurity industry.

In the mid-term, our ambition is to outperform market growth as well as reach sustainable EBITDA profitability during 2021, and demonstrate positive Free Cash Flow (FCF) from 2022.

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, 27 August 2020

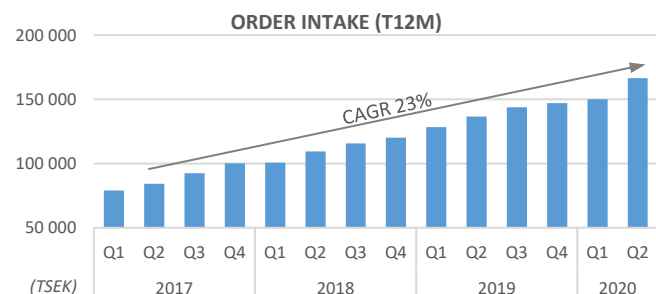




## COMMENTS ON CLAVISTER'S INTERIM FINANCIAL STATEMENTS

### ORDER INTAKE

Total Order Intake for the quarter amounted to 54.8 (38.2) MSEK, a year-on-year increase of 44%. Adjusted for the divested Chinese operations, the corresponding increase amounted to 49%.



The order book balance on 30 June 2020 amounted to 27.5 (5.3) MSEK.

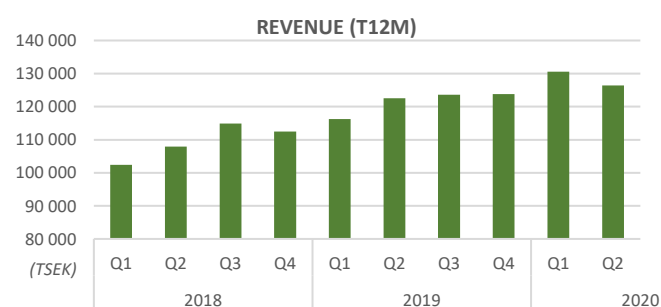
### INVOICED SALES (BILLINGS)

Total Invoiced Sales (Billings) in the period amounted to 37.3 (33.8) MSEK, a year-on-year increase of 11%. Adjusted for the divested Chinese operations, the increase amounted to 15%.

### REVENUE

Total revenue for the quarter amounted to 29.0 (33.1) MSEK, a year-on-year decrease of 12%. Adjusted for the divested Chinese operations, the decrease amounted to 9%.

The decrease in revenue is mainly attributed to consequences of the COVID-19 pandemic. Late customer product orders in the quarter in combination with postponed professional services engagements results in lower recognized revenue, despite the increase in Invoices Sales.



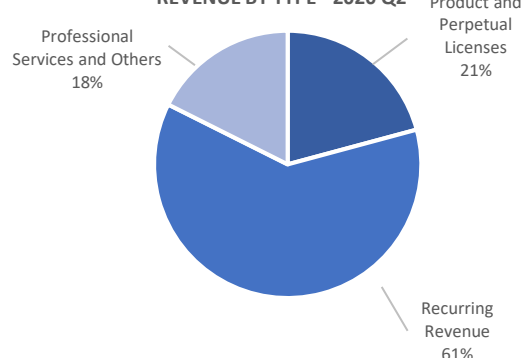
Recurring revenue from software subscriptions and other term-based contracts grew with 16% in the quarter and represented 61% of the total revenue.

Revenue from pre-paid contracts recognizable over contract term (deferred revenue) amounted to 60.4 (37.6) MSEK on 30 June 2020.

### REVENUE BY TYPE – 2020 Q2

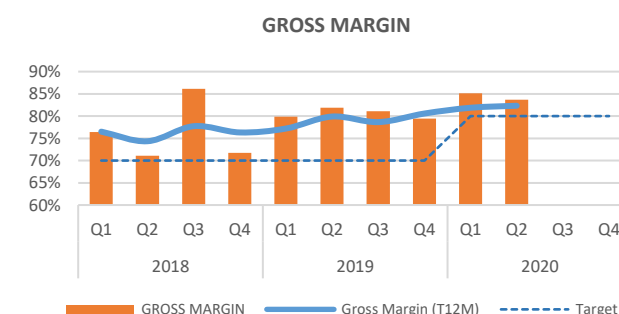
(TSEK)	2020 Apr - Jun	2019 Apr - Jun	Y/Y (%)	2019 Jan - Dec
Recurring Revenue from Subscriptions	17 575	15 141	16%	60 413
Product and Perpetual License Revenue	5 940	13 052	-54%	40 921
Professional Services and Others	5 504	4 903	12%	22 506
<b>Total</b>	<b>29 019</b>	<b>33 095</b>	<b>-12%</b>	<b>123 840</b>

### REVENUE BY TYPE - 2020 Q2



### GROSS MARGIN AND GROSS PROFIT

Gross margin increased to 83.7% (81.9%). The increase mainly relates to lowered third-party costs for technology licenses, the divestment of the Chinese operations and product mix in general.



Gross profit for the quarter amounted to 24.3 (27.1) MSEK, a decrease by 10%.

### OPERATING EXPENSES AND OPERATIONAL RESULT

Total operating expenses amounted to -40.9 (-45.0) MSEK.

Personnel expenses amounted to -33.7 (-36.3) MSEK. Other external expenses amounted to -7.2 (-8.8) MSEK and consist mainly of marketing, IT and communication and external consultants.

EBITDA amounted to -7.9 (-7.2) MSEK. The deterioration is attributed to the lower gross profit, positively affected with 4.1 MSEK by reduced OPEX in the period and negatively affected with -2.0 MSEK by reduced capitalized development in the period.

Depreciation amounted to -9.2 (-10.6) MSEK, whereof -1.6 (-1.8) MSEK is attributed to IFRS 16.

EBIT amounted to -17.2 (-17.8) MSEK, again negatively affected with -2.0 MSEK by the reduced capitalized development in the period.

### FINANCIAL NET

Financial income and expenses amounted to 4.8 (-7.5) MSEK, whereof items impacting cash amounted to -0.2 (-0.1) MSEK and refers to interest income and interest for factoring.

Currency revaluations for long-term liabilities had a positive impact of 12.1 (-2.0) MSEK. Amortization of warrants costs had an impact of -4.3 (-3.2) MSEK. Long-term liability interest and leasing contracts under IFRS 16 amounted to -2.8 (-2.2) MSEK.

**RESULT AFTER TAXES**

Result after taxes amounted to -12.3 (-25.3) MSEK.

**INVESTMENTS IN TANGIBLE ASSETS**

No investments in tangible assets were made.

**CAPITALIZED DEVELOPMENT**

Capitalized expenditures amounted to 8.7 (10.7) MSEK. Capitalization of development costs is driven by development working hours as applied to a growing product portfolio.

**CAPITALIZED DEVELOPMENT – 2020 Q2**

(TSEK)	2020 Apr - Jun	2019 Apr - Jun	Y/Y (%)	2019 Jan - Dec
Capitalization of Development Costs	8 675	10 706	-19%	46 613
Amortization of Capitalized Development Costs	-6 792	-8 246	18%	-32 503
<b>Change in Capitalization of Development Costs</b>	<b>1 883</b>	<b>2 460</b>	<b>-23%</b>	<b>14 110</b>

**BALANCE SHEET AND FINANCIAL POSITION****Shareholders' Equity and Liabilities**

Equity amounted to -141.2 (44.9) 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 310.9 (464.3) MSEK.

**Interest-bearing Liabilities**

On 30 June 2020, interest-bearing liabilities amounted to 321.4 (236.6) MSEK, distributed between long-term of 260.8 (230.5) MSEK and short-term of 60.6 (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**

On 30 June 2020, the financial net debt amounted to -253.0 (-171.0) MSEK.

**CASH-FLOW**

Cash flow from operating activities amounted to 9.2 (-9.2) MSEK. The improvement is related to a positive working capital, mainly attributable to changes in operating liabilities.

Cash flow from investing activities amounted to -8.7 (-10.7) MSEK and is attributed to capitalization of development costs.

Cash flow from financing activities amounted to -1.1 (31.4) MSEK.

Change in cash position was -0.6 (11.5) MSEK. Cash balance amounted to 68.4 (65.6) MSEK on 30 June 2020.

**IMPAIRMENT TESTING**

No 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**

On 30 June 2020, the number of full-time equivalent employees (FTE) amounted to 132 (168). 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**

Clavister is in negotiation with one of its lenders with regards to addressing short-term liabilities.

**AMBITIONS AND PLANNING ASSUMPTIONS**

Clavister provides the following outlook:

In the short-term (FY2020), Clavister has the ambition to deliver improvements of EBITDA, EBIT and Operational Cash-Flow compared to FY2019. The ongoing Covid-19 pandemic drives some uncertainty in predicting impact in the global cybersecurity industry.

The short-term ambition is based on the following assumptions:

- Increased revenue growth in FY 2020 over FY 2019
- 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
- Controlled mid-term impact by the COVID-19 pandemic

In the mid-term, Clavister's ambition is to outperform market growth as well as reach sustainable EBITDA profitability during 2021, and demonstrate positive Free Cash Flow (FCF) (defined as operating cash flow and investing cash-flow in order to service our debts and pay dividends) from 2022.

Clavister's long-term ambition is to provide industry-leading profitability and Free Cash Flow.

## CONSOLIDATED INCOME STATEMENT

### CONSOLIDATED INCOME STATEMENT

(TSEK)	2020 Apr - Jun	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
<b>Net Sales</b>	28 541	32 704	57 874	59 604	123 061
Other Revenue	478	391	4 366	21	406
<b>Total Revenue</b>	<b>29 019</b>	<b>33 095</b>	<b>62 240</b>	<b>59 625</b>	<b>123 467</b>
COGS	-4 721	-5 995	-9 657	-11 332	-23 977
<b>Gross Profit</b>	<b>24 298</b>	<b>27 100</b>	<b>52 583</b>	<b>48 293</b>	<b>99 490</b>
Capitalized Development	8 675	10 706	18 002	24 911	46 613
Personnel Expenses	-33 693	-36 266	-69 493	-71 763	-140 988
Other External Expenses	-7 218	-8 752	-14 822	-17 219	-40 175
Profit from Participations in Subsidiaries	0	0	0	0	-3 971
<b>EBITDA</b>	<b>-7 938</b>	<b>-7 212</b>	<b>-13 730</b>	<b>-15 778</b>	<b>-39 031</b>
Depreciation and Amortization	-9 213	-10 560	-20 734	-20 748	-41 433
<b>EBIT</b>	<b>-17 151</b>	<b>-17 772</b>	<b>-34 464</b>	<b>-36 526</b>	<b>-80 464</b>
Financial Items	4 848	-7 478	-17 362	-17 213	-32 042
<b>Result after Financial Items</b>	<b>-12 303</b>	<b>-25 250</b>	<b>-51 826</b>	<b>-53 739</b>	<b>-112 506</b>
Taxes	32	-22	-26	-33	-75 663
<b>Net Profit/Loss</b>	<b>-12 335</b>	<b>-25 272</b>	<b>-51 852</b>	<b>-53 772</b>	<b>-188 169</b>
<i>Average number of shares before dilution</i>	<i>25 659 550</i>	<i>23 562 050</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>32 758 036</i>	<i>31 232 004</i>	<i>32 758 036</i>	<i>31 631 875</i>	<i>32 280 754</i>
<i>Earnings per share before dilution, SEK</i>	<i>-0,48</i>	<i>-1,07</i>	<i>-2,02</i>	<i>-2,28</i>	<i>-7,65</i>
<i>Earnings per share after dilution, SEK</i>	<i>-0,48</i>	<i>-1,07</i>	<i>-2,02</i>	<i>-2,28</i>	<i>-7,65</i>
<b>Net Profit relating to Shareholders of the Parent Company</b>	<b>-12 335</b>	<b>-25 272</b>	<b>-51 852</b>	<b>-53 772</b>	<b>-188 169</b>
<i>Total Results of the Group:</i>					
<b>Net Profit/Loss End of the Period</b>	<b>-12 335</b>	<b>-25 272</b>	<b>-51 852</b>	<b>-53 772</b>	<b>-188 169</b>
Other Profit	-673	-724	-614	-767	-2
<b>Net Profit/Loss</b>	<b>-13 008</b>	<b>-25 996</b>	<b>-52 466</b>	<b>-54 539</b>	<b>-188 171</b>

## CONSOLIDATED BALANCE SHEET

### CONSOLIDATED BALANCE SHEET

(TSEK)	2020-06-30	2019-06-30	2019-12-31
<b>ASSETS</b>			
<i><b>Non-Current Assets</b></i>			
Capitalized Development Costs	89 698	74 003	78 166
Goodwill	51 875	52 569	51 875
Right of use Assets	17 054	23 472	20 451
Tangible Fixed Assets	0	114	0
Deferred Tax Asset	478	76 771	478
Other Long-term Receivables	18 093	31 114	16 901
<b>Total Non-Current Assets</b>	<b>177 198</b>	<b>258 043</b>	<b>167 870</b>
<i><b>Current Assets</b></i>			
Inventories	6 428	9 877	8 000
Current Receivables	37 597	40 306	56 462
Cash and Bank Balances	68 372	65 600	70 942
<b>Total Current Assets</b>	<b>112 397</b>	<b>115 783</b>	<b>135 404</b>
<b>TOTAL ASSETS</b>	<b>289 595</b>	<b>373 826</b>	<b>303 275</b>
<b>EQUITY AND LIABILITIES</b>			
<i><b>Equity</b></i>			
Equity	-141 162	44 934	-89 283
<b>Total Equity</b>	<b>-141 162</b>	<b>44 934</b>	<b>-89 283</b>
<i><b>LIABILITIES</b></i>			
<i><b>Long-term Liabilities</b></i>			
Convertible Debentures	8 826	8 278	8 545
Liabilities to Credit Institutions	238 427	203 962	220 451
Lease Liabilities	13 537	18 240	15 987
Deferred Tax Liabilities	814	1 302	814
<b>Total Long-term Liabilities</b>	<b>261 604</b>	<b>231 782</b>	<b>245 796</b>
<i><b>Current Liabilities</b></i>			
Liabilities to Credit Institutions	55 009	0	53 709
Lease Liabilities	5 602	6 144	5 992
Accounts Payable	5 965	12 861	5 169
Other Liabilities	17 299	4 178	6 946
Deferred Revenues	60 398	37 551	49 040
Accrued Expenses	24 879	36 376	25 906
<b>Total Current Liabilities</b>	<b>169 153</b>	<b>97 110</b>	<b>146 762</b>
<b>TOTAL LIABILITIES</b>	<b>430 757</b>	<b>328 892</b>	<b>392 558</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>289 595</b>	<b>373 826</b>	<b>303 275</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### CHANGES IN EQUITY

(TSEK)	2020 Apr - Jun	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
<b>Equity, Beginning of Period</b>	-129 063	38 219	-89 283	66 738	66 738
Issue Expenses	0	-2 500	0	-2 500	-2 500
Non-registered Issue	0	35 658	0	35 658	35 658
Due, not Redeemed Warrants	-618	-1 566	-940	-1 566	-1 566
Share-based Compensation	1 527	0	1 527	0	558
Other total Income for the Period	-673	396	-614	377	-2
Result for the Period	-12 335	-25 272	-51 852	-53 772	-188 169
<b>Equity, End of Period</b>	<b>-141 162</b>	<b>44 935</b>	<b>-141 162</b>	<b>44 935</b>	<b>-89 283</b>



## CONSOLIDATED CASH FLOW STATEMENT

### CONSOLIDATED CASH FLOW STATEMENT

(TSEK)	2020 Apr - Jun	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
<b>Profit/Loss before Taxes</b>	<b>-12 303</b>	<b>-25 250</b>	<b>-51 826</b>	<b>-53 739</b>	<b>-112 506</b>
Reversal of Depreciation and Write-downs	9 213	10 560	20 734	20 748	41 433
Other Adjustments for Non-cash Items, etc <sup>*)</sup>	-11 284	2 581	2 619	5 324	-2 724
Disposal of Subsidiaries - Equity	0	0	0	0	3 277
Disposal of Subsidiaries - Goodwill	0	0	0	0	694
Paid Taxes	-461	-444	-905	-847	-25
<b>Cash Flow from Operating Activities before Working Capital Changes</b>	<b>-14 835</b>	<b>-12 553</b>	<b>-29 378</b>	<b>-28 514</b>	<b>-69 850</b>
Changes in Inventories	542	-3 996	1 572	-4 470	-2 977
Changes in Operating Receivables	1 654	5 401	18 872	7 886	-15 214
Changes in Operating Liabilities	21 802	1 958	29 064	3 538	30 479
<b>Cash Flow from Operating Activities</b>	<b>9 163</b>	<b>-9 190</b>	<b>20 130</b>	<b>-21 560</b>	<b>-57 562</b>
Acquisition of Property, Plant and Equipment	0	0	-10 976	0	0
Investment of Capitalized Development Work	-8 675	-10 706	-18 003	-24 911	-46 613
Divestment of Subsidiaries	0	0	0	0	-298
Other Acquisition of Financial Fixed Assets	0	0	0	0	14 433
<b>Cash Flow from Investing Activities</b>	<b>-8 675</b>	<b>-10 706</b>	<b>-28 979</b>	<b>-24 911</b>	<b>-32 478</b>
Borrowings	0	0	0	0	53 904
Amortization of Leasing Liabilities	-1 100	0	-2 839	0	-7 247
New Share Issue, incl Transaction Costs	0	33 158	0	33 158	31 592
Other Changes in Financing Activities	0	-1 788	9 118	-3 262	558
<b>Cash Flow from Financing Activities</b>	<b>-1 100</b>	<b>31 370</b>	<b>6 279</b>	<b>29 896</b>	<b>78 806</b>
<b>Change in Cash Position</b>	<b>-612</b>	<b>11 474</b>	<b>-2 570</b>	<b>-16 575</b>	<b>-11 234</b>
<b>Cash, Beginning of Period</b>	<b>69 984</b>	<b>54 127</b>	<b>70 942</b>	<b>82 176</b>	<b>82 176</b>
<b>Cash, End of Period</b>	<b>68 372</b>	<b>65 601</b>	<b>68 372</b>	<b>65 601</b>	<b>70 942</b>

<sup>\*)</sup> "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

<i>(TSEK)</i>	2020	2019	2020	2019	2019
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net Sales	780	125	2 514	250	430
Total Revenue	780	125	2 514	250	430
Personnel Expenses	-951	-1 601	-3 764	-3 270	-6 029
Other External Expenses	-1 756	-1 616	-3 141	-3 169	-6 621
EBITDA	-1 927	-3 092	-4 391	-6 189	-12 220
Write-down of Shares in Subsidiaries	0	0	0	0	-135 000
Financial Items	-1 475	-529	-3 378	-2 539	-6 793
Result after Financial Items	-3 402	-3 621	-7 769	-8 728	-154 013
Taxes	0	0	0	0	117
Net Profit/Loss	-3 402	-3 621	-7 769	-8 728	-153 896

## PARENT COMPANY CLAVISTER HOLDING AB

### CONDENSED BALANCE SHEET

(TSEK)	2020-06-30	2019-06-30	2019-12-31
<b>ASSETS</b>			
<i><b>Fixed Assets</b></i>			
Shares in Group Companies	558 295	513 295	478 295
Long-term Receivables	0	3 719	0
Deferred Tax Asset	478	361	478
<b>Total Fixed Assets</b>	<b>558 773</b>	<b>517 375</b>	<b>478 773</b>
<i><b>Current Assets</b></i>			
Current Receivables	1 576	2 629	4 613
Cash and Bank Balances	5 742	38 201	8 594
<b>Total Current Assets</b>	<b>7 318</b>	<b>40 830</b>	<b>13 207</b>
<b>TOTAL ASSETS</b>	<b>566 091</b>	<b>558 205</b>	<b>491 981</b>
<b>EQUITY AND LIABILITIES</b>			
<i><b>Equity</b></i>			
Equity	310 940	464 259	319 650
<b>Total equity</b>	<b>310 940</b>	<b>464 259</b>	<b>319 650</b>
<b>LIABILITIES</b>			
<i><b>Long-term Liabilities</b></i>			
Convertible Debentures	8 826	8 278	8 545
Liabilities to Credit Institutions	0	48 931	0
Liabilities to Group Companies	188 006	28 006	108 006
<b>Total Long-term Liabilities</b>	<b>196 832</b>	<b>85 214</b>	<b>116 551</b>
<i><b>Current Liabilities</b></i>			
Liabilities to Credit Institutions	49 786	0	49 358
Accounts Payable	430	3 043	709
Other Liabilities	1 024	276	234
Accrued Expenses	7 078	5 413	5 478
<b>Total Current Liabilities</b>	<b>58 318</b>	<b>8 731</b>	<b>55 780</b>
<b>TOTAL LIABILITIES</b>	<b>255 151</b>	<b>93 945</b>	<b>172 330</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>566 091</b>	<b>558 205</b>	<b>491 981</b>

## 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 30 June 2020, the number of shareholders amounted to 4,908 and the number of registered shares were 25,659,550.

#### THE 10 LARGEST SHAREHOLDERS

(Per 2020-06-30)	Number of Shares	% of Total
HSBC Trinkhaus and Burkhardt AG	2 857 030	11,1%
Försäkringsaktiebolaget, Avanza Pension	2 152 290	8,4%
Tommy Forsell	1 724 616	6,7%
Goldman Sachs International	1 462 500	5,7%
RGG ADM-Gruppen AB	1 113 006	4,3%
Futur Pension	1 053 973	4,1%
RBC Investor Services Bank	800 000	3,1%
Fondita 2000+	753 000	2,9%
Vidar Stenberg	567 324	2,2%
Clearstream Banking	518 315	2,0%
Övriga aktieägare	12 657 496	49,3%
<b>Total Number of Shares registered with the Companies Registration Office</b>	<b>25 659 550</b>	<b>100,0%</b>
Additional shares potentially issued in 2020 through 2038, due to warrants and convertible loan	6 926 888	
<b>Total Number of Shares after Full Dilution</b>	<b>32 586 438</b>	

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

#### WARRANTS

There is one current incentive program addressed to key employees with a total of 750,000 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 six warrant programs with a total amount of warrants of 5,972,054, 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 138,508 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 6,722,054.

#### WARRANTS

	Number Issued	Redeemed / Due	Open	Share Price, SEK
TO 2016-2026	19 801	0	19 801	0,1
TO 2017 - 2020 <sup>*)</sup>	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	300 000	0	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
TO 2020 - 2038-04-30	101 805	0	101 805	0,1
<b>TOTAL</b>	<b>7 022 054</b>	<b>300 000</b>	<b>6 722 054</b>	

<sup>\*)</sup> 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 2022-05-31	204 834	0	204 834	48,82
<b>TOTAL</b>	<b>204 834</b>	<b>0</b>	<b>204 834</b>	



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

	2020 Apr - Jun	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Net Sales (TSEK)	28 541	32 704	57 874	59 604	123 061
Total Revenue (TSEK)	29 019	33 095	62 240	59 625	123 467
Gross Profit (TSEK)	24 298	27 100	52 583	48 293	99 490
Gross Margin (%)	83.7%	81.9%	84.5%	81.0%	80.6%
EBITDA (TSEK)	-7 938	-7 212	-13 730	-15 778	-39 031
EBIT (TSEK)	-17 151	-17 772	-34 464	-36 526	-80 464
Net Profit/Loss (TSEK)	-12 335	-25 272	-51 852	-53 772	-188 169
Earnings Per Share (SEK) before Dilution	-0,48	-1,07	-2,02	-2,28	-7,65
Earnings per Share (SEK) after Dilution	-0,48	-1,07	-2,02	-2,28	-7,65
Price per Earnings (SEK)	N/A	N/A	N/A	N/A	-1,98
Equity per Share	-5,99	1,91	-5,99	1,91	-3,79
Number of Shares before Dilution (EoP)	25 659 550	23 562 050	25 659 550	23 562 050	25 659 550
Number of Shares after Dilution (EoP)	32 586 438	30 832 133	32 586 438	30 832 133	32 929 633
Average Number of Shares before Dilution	25 659 550	23 562 050	25 659 550	23 562 050	24 610 800
Average Number of Shares after Dilution	32 758 036	31 232 004	32 758 036	31 232 004	32 280 754
Number of Employees (FTE) (EoP)	132	168	132	168	150
Average Numbers of Employees (FTE)	132	171	141	172	178
Number of Employees and External Resources (EoP)	138	174	138	174	156
Equity/Assets Ratio (%)	-49%	12%	-49%	12%	Negativ
Quick Ratio (%)	63%	109%	63%	109%	87%
Net Debt (-), Net Cash (+) (TSEK)	-253 029	-171 023	-253 029	-171 023	-233 741

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

(TSEK)	2020-06-30	2019-06-30	2019-12-31
Mortgage	50 000	50 000	50 000
Pledged Shares in Subsidiaries	63 059	66 611	64 724
Cash and Cash Equivalents	5 598	38 201	8 597
<b>TOTAL</b>	<b>118 657</b>	<b>154 812</b>	<b>123 321</b>

**PLEDGED ASSETS IN PARENT COMPANY**

(TSEK)	2020-06-30	2019-06-30	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	5 598	38 201	8 597
<b>TOTAL</b>	<b>141 098</b>	<b>173 701</b>	<b>144 097</b>

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

(TSEK)	2020-06-30	2019-06-30	2019-12-31
Non-significant Disputes	0	0	3 532
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>3 532</b>

**CONTINGENT LIABILITIES IN PARENT COMPANY**

(TSEK)	2020-06-30	2019-06-30	2019-12-31
Non-significant Disputes	0	0	3 532
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>3 532</b>

**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 Apr - Jun	2019 Apr - Jun	2019 Jan - Dec
Order Intake	54 785	38 173	147 039
whereof China	0	1 358	4 366
Invoiced Sales (Billings)	37 337	33 756	138 288
whereof China	0	1 358	4 366

Recurring Revenue	17 575	15 141	60 413
Contract Retention Rate	94.5%	93.5%	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 (Billings)** – 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.

**NOTE 10 COVID-19 IMPACT AND MITIGATIONS**

The Covid-19 pandemic has had the following impact on the Clavister business:

- Travel bans have restricted Clavister to deploy engineers to customer sites, thereby pushing out professional services revenue.
- Strict lockdowns in Germany have caused delays in customer orders from the DACH market.
- A notable Clavister end-customer filed for Chapter 11 Restructuring in March. A few other prospect customers are delaying their investment decisions.

To mitigate the realized and potential impacts of Covid-19, Clavister have implemented a number of cash preservation actions, including travel restrictions and reduced external spending. Starting from August 2020 and through December 2020, Clavister is implementing Short-Term Working for some of its employees.

Clavister is continuously monitoring the pandemic and any governmental mitigation program which might be relevant to the company.

## SHAREHOLDER INFORMATION

### ABOUT CLAVISTER

Clavister is a leading European cybersecurity vendor with over 20 years of experience. Seated in Sweden, the company has customers in more than 150 countries; Communication Service Providers, Governments, Enterprises and Managed security service providers (MSSPs).

### FINANCIAL CALENDER

Clavister intends to distribute financial reports on the dates below:

EVENT	DATE
Interim report July-September 2020	October 28, 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

John Vestberg, President and CEO  
 Telephone: +46 (0)660 29 92 00  
 E-mail: [ir@clavister.com](mailto:ir@clavister.com)  
[www.clavister.com](http://www.clavister.com)

### COMMISSIONED RESEARCH

Redeye  
 Telephone: +46 (0)8 545 013 30  
 E-mail: [info@redeye.se](mailto:info@redeye.se)  
[www.redeye.se/company/clavister-holding](http://www.redeye.se/company/clavister-holding)

### CERTIFIED ADVISOR

FNCA Sweden AB  
 Telephone: +46 (0)8 5280 03 99  
 E-mail: [info@fnca.se](mailto:info@fnca.se)  
[www.fnca.se](http://www.fnca.se)

### 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 differ. 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, 27<sup>th</sup> of August, 2020

John Vestberg  
 CEO