

**INTERIM REPORT  
CLAVISTER HOLDING AB (PUBL)  
JULY – SEPTEMBER 2020**

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## SUMMARY

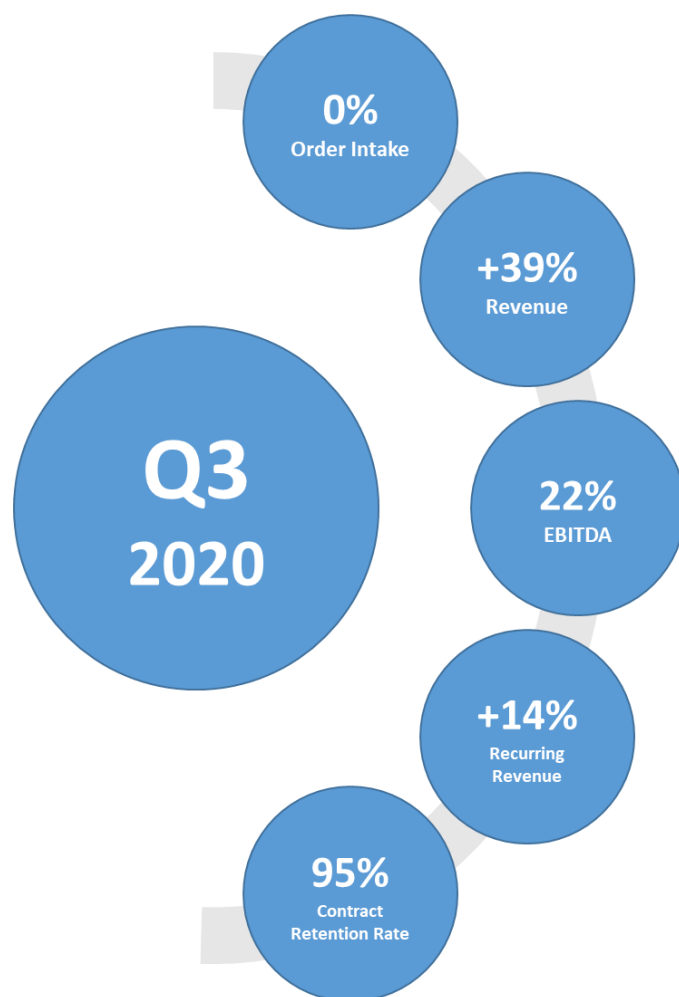
### The Third Quarter

- Revenue amounted to 41.5 (31.9) MSEK, an increase of 39%.
- Net sales amounted to 39.4 (31.8) MSEK, an increase of 32%.
- Order intake amounted to 35.1 (37.3) MSEK.
- Gross profit amounted to 37.7 (25.9) MSEK, corresponding to a gross margin of 90.6 (81.1) %.
- EBITDA amounted to 9.1 (-4.0) MSEK, corresponding to an EBITDA margin of 22%.
- EBIT amounted to 1.3 (-14.5) MSEK, corresponding to an EBIT margin of 3%.
- Net profit amounted to -10.0 (-25.8) MSEK and earnings per share to -0.39 (-1.05) SEK.
- Operating cash flow amounted to -13.8 (-12.5) MSEK.

### First Nine Months

- Revenue amounted to 103.8 (91.6) MSEK, an increase of 19%.
- Net sales amounted to 97.2 (91.4) MSEK, an increase of 12%.
- Order intake amounted to 122.1 (104.8) MSEK, an increase of 22%.
- Gross profit amounted to 90.2 (74.2) MSEK, corresponding to a gross margin of 86.9 (81.0) %.
- EBITDA amounted to -4.6 (-19.8) MSEK.
- EBIT amounted to -33.2 (-51.0) MSEK.
- Net profit amounted to -61.8 (-79.5) MSEK and earnings per share to -2.41 (-3.23) SEK.
- Operating cash flow amounted to 6.3 (-34.1) MSEK.

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. Growth numbers concerning revenue, net sales, order intake and invoiced sales are adjusted for the divestment of the Chinese operations, unless otherwise specified.



“Our third quarter of 2020 saw strong revenue growth of 39%, record gross margin and an EBITDA margin of 22%.



John Vestberg,  
President and CEO, Clavister

## COMMENTS BY THE CEO

Our third quarter of 2020 saw strong revenue growth of 39 %, record gross margin and an EBITDA margin of 22 %. I am really proud of the Clavister team and partners who have remained fully operational and focused on delivering solutions to our customers despite the challenges due to the Covid-19 pandemic. The year to date results strengthen our confidence in delivering on our 2020 financial ambition of year-on-year improvements of EBITDA, EBIT and operating cash-flow.

### FINANCIAL DEVELOPMENT

We are now seeing the financial results from the order book we have built-up during the year. Fulfillment of customer orders yielded an invoiced sales growth of 36%, reaching a level of 40.5 (31.9) MSEK. Revenues amounted to 41.5 (31.9) MSEK, a year-on-year growth of 39%.

With an increased inflow of larger contracts coupled with customer deployments fluctuating over time, we see that our order intake becomes more volatile over the quarters. As such, order backlog will be an important additional performance metric to review going forward. In the third quarter, we saw an order intake on par with the same period last year. Apart from the natural variation due to customer mix, we note that Covid-19 drove delays in new orders, especially in markets impacted by travel bans and lockdowns. Contract renewals and upsell opportunities with existing clients remain less impacted by Covid-19.

The product mix in the quarter with a large portion of high-margin software licenses, provided for record gross margin of 90.6% (81.1%). Corresponding gross profit for the period amounted to 37.7 (25.9) MSEK.

Continued focus on costs has reduced our operational expenses to -34.7 (-39.5) MSEK. The decrease of 4.8 MSEK is primarily related to the divestment of our operations in China.

EBITDA for the third quarter amounted to 9.1 (-4.0) MSEK or 22 % Total operating cash flow amounted to -13.8 (-12.5) MSEK, mainly driven by a higher level of accounts receivable.

Cash balance at the end of the quarter amounted to 31.5 (42.2) MSEK. Short-term liabilities of 55.8 MSEK were refinanced using 22.0 MSEK of own cash and 33.8 MSEK from new short-term loans.

### BUSINESS DEVELOPMENT

Within the communication service provider vertical, we continued to increase our footprint among global mobile operators and service providers through five new license and services contracts, with a total initial order value of 4.5 MSEK. These orders are being deployed starting in the fourth quarter of 2020.

One of our partners in the service provider space announced general availability of their upgraded solution with Clavister virtualized firewall software integrated as an opt-in component, available for upsell to the partner's significant customer base. We are expecting to see recurring license revenue streams from this partner starting in 2021.

We secured an order from security provider ContentKeeper for our carrier-grade firewall product, Clavister NetShield, worth 11 MSEK. As part of ContentKeeper's new cloud security service being deployed in Dallas, Los Angeles and Canberra, Clavister NetShield is integrated as a first line of defense protecting mission-critical cloud customers.

### CAPITAL RAISE

In the third quarter, we announced a proposal of new issues of shares of approximately 234 MSEK by way of a guaranteed rights issue, an oversubscription option and a directed issue to institutional and qualified investors.

Since 2017 we have been on an exciting growth journey. Our commercial focus has yielded good results, with our order intake doubling since mid-2017. We have expanded our customer portfolio with progressively larger customers, and as a result we see an increasing order book, improved margins and a larger allocation of recurring revenue.

As our business prospects increase, we need to ensure that the company has the resources necessary to drive further growth and service our customers. We have a balance sheet that contains a high relative debt level which complicates larger customer engagements and has a dampening effect on value creation for our shareholders.

For these reasons, we have made the assessment that the proposed capitalization is both necessary and beneficial for our business development and thus for further development of shareholder value.

### OUTLOOK

The ambition for the remainder of this year is to continue to deliver continuous improvements of EBITDA, EBIT and operational cash-flow compared to full year 2019. Our existing customer base and our growing pipeline of new opportunities currently 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) by 2022.

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

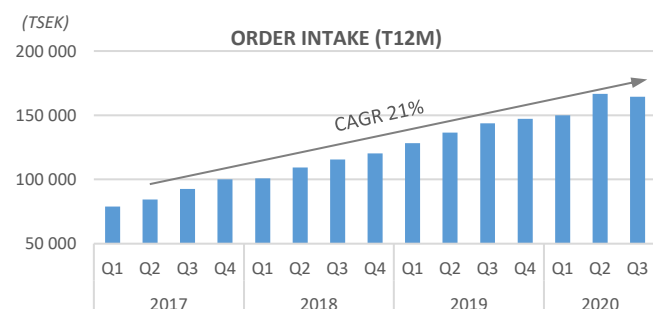
John Vestberg,  
President and CEO  
Örnsköldsvik, Sweden, 28 October 2020



## COMMENTS ON CLAVISTER'S INTERIM FINANCIAL STATEMENTS

### ORDER INTAKE

Order Intake in the quarter amounted to 35.1 (37.3) MSEK. The decrease from previous year is entirely related to the divested Chinese operations. The lack of growth in the quarter is attributed partly to a larger natural fluctuation between the quarters as a result of an increased inflow of larger customer orders, and partly to delays in new customer orders as a consequence of the Covid-19 pandemic.



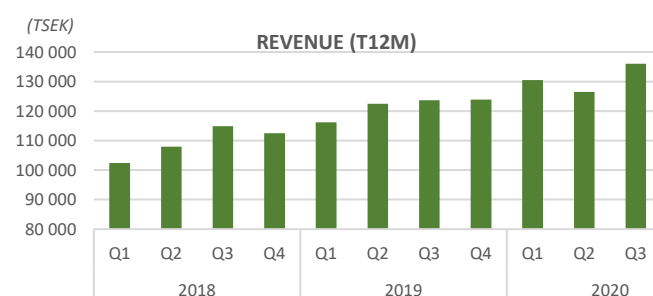
The order book balance on 30 September 2020 amounted to 21.8 (10.6) MSEK.

### INVOICED SALES

Invoiced Sales in the period amounted to 40.5 (31.9) MSEK, a year-on-year increase of 36%, driven by sales growth on all markets except for "Rest of World" which saw a slight decrease in sales due to the Covid-19 pandemic.

### REVENUE

Total revenue for the quarter amounted to 41.5 (31.9) MSEK, a year-on-year increase of 39%, driven partly by larger orders invoiced and delivered during the quarter, and partly by fulfilment of orders from previous quarters.

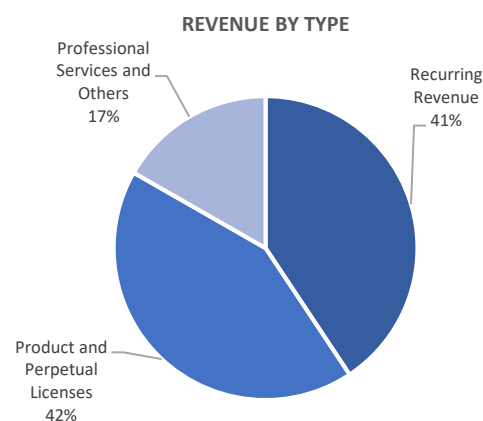


Revenue from Product and Perpetual Licenses grew by 88% in the quarter and represented 43% of total revenue. Recurring revenue grew by 14% in the quarter.

Revenue from pre-paid contracts recognizable over contract term (deferred revenue) amounted to 60.7 (37.8) MSEK on 30 September 2020.

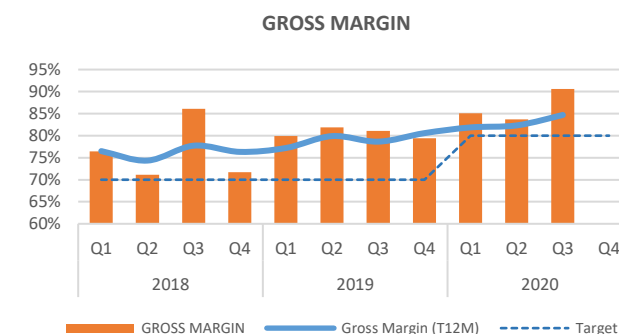
#### REVENUE BY TYPE – 2020 Q3

(TSEK)	2020 Jul - Sep	2019 Jul - Sep	Y/Y (%)	2019 Jan - Dec
Recurring Revenue from Subscriptions	16 895	14 860	14%	60 040
Product and Perpetual License Revenue	17 699	9 434	88%	40 921
Professional Services and Others	6 952	7 638	-9%	22 506
<b>Total</b>	<b>41 545</b>	<b>31 933</b>	<b>31%</b>	<b>123 467</b>



### GROSS MARGIN AND GROSS PROFIT

Gross margin increased to 90.6% (81.1)%. The increase relates to one large order with high-margin software licenses invoiced and delivered during the quarter, the divestment of the Chinese operations and product mix in general.



Gross profit for the quarter amounted to 37.7 (25.9) MSEK, an increase of 46%.

### OPERATING EXPENSES AND OPERATIONAL RESULT

Total operating expenses amounted to -34.7 (-39.5) MSEK. Corresponding period previous year was affected by -4.2 MSEK from the divestment of the operations in China.

Personnel expenses amounted to -27.5 (-28.4) MSEK, the decrease relates to a lower number of FTEs. Other external expenses amounted to -7.2 (-7.1) MSEK and consist mainly of marketing, IT and communications and external consultants.

EBITDA amounted to 9.1 (-4.0) MSEK. The improvement is attributed to the higher gross profit, positively affected with 4.8 MSEK attributed to reduced OPEX and negatively affected with -3.5 MSEK by reduced capitalized development in the period.

Depreciation amounted to -7.8 (-10.5) MSEK, with -1.6 (-2.0) MSEK attributed to IFRS 16.

EBIT amounted to 1.3 (-14.5) MSEK, negatively affected with -1.3 MSEK by the net effect of reduced capitalized development and reduced amortization of capitalized assets in the period.

### FINANCIAL NET

Financial income and expenses amounted to -10.4 (-11.3) MSEK, where items impacting cash amounted to -1.7 (-0.1) MSEK and refers to interest income and interest for factoring.

Currency revaluations for long-term liabilities had an impact of -1.2 (-2.6) MSEK. Amortization of warrants costs had an impact of -4.4 (-3.3) MSEK. Long-term liability interest and leasing contracts under IFRS 16 amounted to -3.1 (-5.3) MSEK.

#### RESULT AFTER TAXES

Result after taxes amounted to -10.0 (-25.8) MSEK.

#### INVESTMENTS IN TANGIBLE ASSETS

Investments in material assets during the period amounted to 1.0 (0) MSEK.

#### CAPITALIZED DEVELOPMENT

Capitalized expenditures amounted to 6.1 (9.6) MSEK. Capitalization of development costs is driven by development working hours as applied to a growing product portfolio.

##### CAPITALIZED DEVELOPMENT – 2020 Q3

(TSEK)	2020 Jul - Sep	2019 Jul - Sep	Y/Y (%)	2019 Jan - Dec
Capitalization of Development Costs	6 122	9 640	-36%	46 613
Amortization of Capitalized Development Costs	-5 678	-7 931	-28%	-32 503
Change in Capitalization of Development Costs	444	1 709	-74%	14 110

#### BALANCE SHEET AND FINANCIAL POSITION

##### Shareholders' Equity and Liabilities

Equity amounted to -151.4 (19.7) 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 303.7 (459.7) MSEK.

##### Interest-bearing Liabilities

On 30 September 2020, interest-bearing liabilities amounted to 303.2 (237.5) MSEK, distributed between long-term of 262.6 (231.4) MSEK and short-term of 40.6 (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. During the quarter, 55.8 MSEK in loan principal and accrued interest were repaid to Tagehus. Short-term loans of 35.0 MSEK were raised at an interest rate of 1% per commenced month and a total commitment fee of 2.0 MSEK.

##### Financial Net Debt

On 30 September 2020, the financial net debt amounted to -271.7 (-195.3) MSEK.

##### CASH-FLOW

Cash flow from operating activities amounted to -13.8 (-12.5) MSEK, mainly driven by increased invoiced sales, creating a higher level of accounts receivables.

Cash flow from investing activities amounted to -7.1 (-10.0) MSEK and is attributed to capitalization of development costs.

Cash flow from financing activities amounted to -15.9 (-0.8) MSEK and relates to repayment of loan including interest totalling 55.8 MSEK, new short-term loans of 35 MSEK and amortization of leasing liabilities.

Change in cash position was -36.9 (-23.4) MSEK. Cash balance amounted to 31.5 (42.2) MSEK on 30 September 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 September 2020, the number of full-time equivalent employees (FTE) amounted to 119 (170). The decrease in FTEs is mainly attributed to temporary short-term layoffs of parts of the organization, 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.

#### 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

On 22 October 2020, an Extra General Meeting was held where the shareholders resolved on the proposal of new issues of shares of approximately 234 MSEK.

#### AMBITIONS AND PLANNING ASSUMPTIONS

Clavister provides the following outlook:

In the short-term (FY2020), Clavister has the ambition to deliver continuous improvements of EBITDA, EBIT and Operational Cash-Flow compared to FY2019. The ongoing Covid-19 pandemic contributes to higher uncertainty in assessing the development of the global cyber security 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	2019	2020	2019	2019
	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net Sales	39 353	31 816	97 227	91 420	123 061
Other Revenue	2 192	117	6 558	138	406
<b>Total Revenue</b>	<b>41 545</b>	<b>31 933</b>	<b>103 785</b>	<b>91 558</b>	<b>123 467</b>
COGS	-3 891	-6 048	-13 548	-17 380	-23 977
<b>Gross Profit</b>	<b>37 654</b>	<b>25 885</b>	<b>90 237</b>	<b>74 178</b>	<b>99 490</b>
Capitalized Development	6 122	9 640	24 124	34 551	46 613
Personnel Expenses	-27 523	-28 440	-97 016	-100 203	-140 988
Other External Expenses	-7 154	-11 075	-21 976	-28 294	-44 146
<b>EBITDA</b>	<b>9 099</b>	<b>-3 990</b>	<b>-4 631</b>	<b>-19 768</b>	<b>-39 031</b>
Depreciation and Amortization	-7 839	-10 475	-28 573	-31 223	-41 433
<b>EBIT</b>	<b>1 260</b>	<b>-14 465</b>	<b>-33 204</b>	<b>-50 991</b>	<b>-80 464</b>
Financial Items	-10 382	-11 287	-27 744	-28 500	-32 042
<b>Result after Financial Items</b>	<b>-9 122</b>	<b>-25 752</b>	<b>-60 948</b>	<b>-79 491</b>	<b>-112 506</b>
Taxes	-842	-13	-868	-46	-75 663
<b>Net Profit/Loss</b>	<b>-9 964</b>	<b>-25 765</b>	<b>-61 816</b>	<b>-79 537</b>	<b>-188 169</b>
<i>Average number of shares before dilution</i>	<i>25 659 550</i>	<i>24 610 800</i>	<i>25 659 550</i>	<i>24 610 800</i>	<i>24 610 800</i>
<i>Average number of shares after dilution</i>	<i>30 578 729</i>	<i>31 880 883</i>	<i>30 750 327</i>	<i>32 280 754</i>	<i>32 280 754</i>
<i>Earnings per share before dilution, SEK</i>	<i>-0,39</i>	<i>-1,05</i>	<i>-2,41</i>	<i>-3,23</i>	<i>-7,65</i>
<i>Earnings per share after dilution, SEK</i>	<i>-0,39</i>	<i>-1,05</i>	<i>-2,41</i>	<i>-3,23</i>	<i>-7,65</i>
<b>Net Profit relating to Shareholders of the Parent Company</b>	<b>-9 964</b>	<b>-25 765</b>	<b>-61 816</b>	<b>-79 537</b>	<b>-188 169</b>
<i>Total Results of the Group:</i>					
<b>Net Profit/Loss End of the Period</b>	<b>-9 964</b>	<b>-25 765</b>	<b>-61 816</b>	<b>-79 537</b>	<b>-188 169</b>
Other Profit	105	-34	-509	343	-2
<b>Net Profit/Loss</b>	<b>-9 859</b>	<b>-25 799</b>	<b>-62 325</b>	<b>-79 194</b>	<b>-188 171</b>

## CONSOLIDATED BALANCE SHEET

### CONSOLIDATED BALANCE SHEET

(TSEK)	2020-09-30	2019-09-30	2019-12-31
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Capitalized Development Costs	89 587	75 157	78 166
Goodwill	51 875	51 875	51 875
Right of use Assets	16 567	21 499	20 451
Deferred Tax Asset	0	76 771	478
Other Long-term Receivables	18 093	31 114	16 901
<b>Total Non-Current Assets</b>	<b>176 122</b>	<b>256 416</b>	<b>167 871</b>
<b>Current Assets</b>			
Inventories	5 519	11 051	8 000
Current Receivables	50 424	34 030	56 462
Cash and Bank Balances	31 496	42 225	70 942
<b>Total Current Assets</b>	<b>87 439</b>	<b>87 306</b>	<b>135 404</b>
<b>TOTAL ASSETS</b>	<b>263 561</b>	<b>343 722</b>	<b>303 275</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity	-151 419	19 694	-89 283
<b>Total Equity</b>	<b>-151 419</b>	<b>19 694</b>	<b>-89 283</b>
<b>LIABILITIES</b>			
<b>Long-term Liabilities</b>			
Convertible Debentures	8 973	8 411	8 545
Liabilities to Credit Institutions	240 571	206 122	220 450
Lease Liabilities	13 024	16 850	15 987
Deferred Tax Liabilities	1 178	1 302	814
<b>Total Long-term Liabilities</b>	<b>263 746</b>	<b>232 686</b>	<b>245 796</b>
<b>Current Liabilities</b>			
Liabilities to Credit Institutions	0	0	53 709
Lease Liabilities	5 602	6 144	5 992
Accounts Payable	6 764	8 529	5 169
Other Liabilities	54 217	4 910	6 946
Deferred Revenues	60 651	37 802	49 040
Accrued Expenses	24 000	33 956	25 906
<b>Total Current Liabilities</b>	<b>151 234</b>	<b>91 342</b>	<b>146 762</b>
<b>TOTAL LIABILITIES</b>	<b>414 980</b>	<b>324 028</b>	<b>392 558</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>263 561</b>	<b>343 722</b>	<b>303 275</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### CHANGES IN EQUITY

(TSEK)	2020 Jul - Sep	2019 Jul - Sep	2020 Jan - Sep	2019 Jan - Sep	2019 Jan - Dec
<b>Equity, Beginning of Period</b>	-141 162	44 935	-89 283	66 738	66 738
Issue Expenses	-400	0	-400	-2 500	-2 500
Non-registered Issue	3	0	3	35 658	35 658
Due, not Redeemed Warrants	0	0	-940	-1 566	-1 566
Share-based Compensation	0	558	1 527	558	558
Other total Income for the Period	105	-34	-509	343	-2
Result for the Period	-9 964	-25 765	-61 816	-79 537	-188 169
<b>Equity, End of Period</b>	<b>-151 419</b>	<b>19 694</b>	<b>-151 419</b>	<b>19 694</b>	<b>-89 283</b>



## CONSOLIDATED CASH FLOW STATEMENT

### CONSOLIDATED CASH FLOW STATEMENT

(TSEK)	2020 Jul - Sep	2019 Jul - Sep	2020 Jan - Sep	2019 Jan - Sep	2019 Jan - Dec
<b>Profit/Loss before Taxes</b>	<b>-9 123</b>	<b>-25 752</b>	<b>-60 949</b>	<b>-79 491</b>	<b>-112 506</b>
Reversal of Depreciation and Write-downs	7 839	10 474	28 573	31 222	41 433
Other Adjustments for Non-cash Items, etc <sup>*)</sup>	2 061	2 294	4 680	7 618	-2 724
Disposal of Subsidiaries - Equity	0	3 514	0	3 514	3 277
Disposal of Subsidiaries - Goodwill	0	694	0	694	694
Paid Taxes	-444	-451	-1 349	-1 298	-25
<b>Cash Flow from Operating Activities before Working Capital Changes</b>	<b>333</b>	<b>-9 227</b>	<b>-29 045</b>	<b>-37 740</b>	<b>-69 850</b>
Changes in Inventories	909	-1 175	2 481	-5 645	-2 977
Changes in Operating Receivables	-12 826	6 442	6 046	14 328	-15 214
Changes in Operating Liabilities	-2 265	-8 556	26 799	-5 018	30 479
<b>Cash Flow from Operating Activities</b>	<b>-13 849</b>	<b>-12 516</b>	<b>6 281</b>	<b>-34 075</b>	<b>-57 562</b>
Acquisition of Property, Plant and Equipment	-993	0	-11 969	0	0
Investment of Capitalized Development Work	-6 122	-9 640	-24 125	-34 511	-46 613
Divestment of Subsidiaries	0	-388	0	-388	-298
Other Acquisition of Financial Fixed Assets	0	0	0	0	14 433
<b>Cash Flow from Investing Activities</b>	<b>-7 115</b>	<b>-10 028</b>	<b>-36 094</b>	<b>-34 939</b>	<b>-32 478</b>
Net Borrowings	-15 000	0	-15 000	0	53 904
Amortization of Leasing Liabilities	-512	0	-3 351	0	-7 247
New Share Issue, incl Transaction Costs	-400	0	-400	33 158	31 592
Other Changes in Financing Activities	0	-832	9 118	-4 093	558
<b>Cash Flow from Financing Activities</b>	<b>-15 912</b>	<b>-832</b>	<b>-9 633</b>	<b>29 064</b>	<b>78 806</b>
<b>Change in Cash Position</b>	<b>-36 876</b>	<b>-23 375</b>	<b>-39 446</b>	<b>-39 950</b>	<b>-11 234</b>
<b>Cash, Beginning of Period</b>	<b>68 372</b>	<b>65 601</b>	<b>70 942</b>	<b>82 176</b>	<b>82 176</b>
<b>Cash, End of Period</b>	<b>31 496</b>	<b>42 226</b>	<b>31 496</b>	<b>42 226</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 Jul - Sep	2019 Jul - Sep	2020 Jan - Sep	2019 Jan - Sep	2019 Jan - Dec
Net Sales	780	90	3 294	340	430
Total Revenue	780	90	3 294	340	430
Personnel Expenses	-1 172	-1 645	-4 936	-4 915	-6 029
Other External Expenses	-1 833	-1 414	-4 974	-4 583	-6 621
EBITDA	-2 225	-2 969	-6 616	-9 158	-12 220
Write-down of Shares in Subsidiaries	0	0	0	0	-135 000
Financial Items	-3 743	-2 106	-7 121	-4 645	-6 793
Result after Financial Items	-5 968	-5 075	-13 737	-13 803	-154 013
Taxes	-842	0	-842	0	117
Net Profit/Loss	-6 810	-5 075	-14 579	-13 803	-153 896

## PARENT COMPANY CLAVISTER HOLDING AB

### CONDENSED BALANCE SHEET

(TSEK)	2020-09-30	2019-09-30	2019-12-31
<b>ASSETS</b>			
<i>Fixed Assets</i>			
Shares in Group Companies	558 295	533 295	478 295
Long-term Receivables	0	3 719	0
Deferred Tax Asset	0	361	478
<b>Total Fixed Assets</b>	<b>558 295</b>	<b>537 375</b>	<b>478 773</b>
<i>Current Assets</i>			
Current Receivables	340	1 936	4 613
Cash and Bank Balances	3 671	12 764	8 594
<b>Total Current Assets</b>	<b>4 011</b>	<b>14 700</b>	<b>13 207</b>
<b>TOTAL ASSETS</b>	<b>562 306</b>	<b>552 075</b>	<b>491 981</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Equity	303 733	459 743	319 650
<b>Total equity</b>	<b>303 733</b>	<b>459 743</b>	<b>319 650</b>
<b>LIABILITIES</b>			
<i>Long-term Liabilities</i>			
Convertible Debentures	8 973	8 411	8 545
Liabilities to Credit Institutions	0	49 144	0
Liabilities to Group Companies	209 006	28 006	108 006
Deferred tax	364	0	0
<b>Total Long-term Liabilities</b>	<b>218 343</b>	<b>85 562</b>	<b>116 551</b>
<i>Current Liabilities</i>			
Liabilities to Credit Institutions	0	0	49 358
Accounts Payable	1 478	503	709
Other Liabilities	36 020	286	234
Accrued Expenses	2 732	5 982	5 478
<b>Total Current Liabilities</b>	<b>40 230</b>	<b>6 771</b>	<b>55 780</b>
<b>TOTAL LIABILITIES</b>	<b>258 573</b>	<b>92 333</b>	<b>172 330</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>562 306</b>	<b>552 075</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 September 2020, the number of shareholders amounted to 4,980 and the number of registered shares were 25,659,550.

#### THE 10 LARGEST SHAREHOLDERS

(Per 2020-09-30)	Number of Shares	% of Total
HSBC Trinkhaus and Burkhardt AG	2 857 030	11,1%
Försäkringsaktiebolaget, Avanza Pension	2 173 426	8,5%
Tommy Forsell	1 756 235	6,8%
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+	600 000	2,3%
Vidar Stenberg	567 324	2,2%
Clearstream Banking	506 774	2,0%
Övriga aktieägare	12 769 282	49,8%
<b>Total Number of Shares registered with the Companies Registration Office</b>	<b>25 659 550</b>	<b>100,0%</b>
Right issue (registered 2020-10-08)	28 248	
Additional shares potentially issued in 2020 through 2038, due to warrants and convertible loan	2 883 222	
<b>Total Number of Shares after Full Dilution</b>	<b>28 571 020</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 four warrant programs with a total amount of warrants of 1,928,388, 19,801 warrants mature in 2026, 1,770,079 warrants mature in 2037 and 138,508 warrants mature in 2038.

During the quarter, two programs expired, of which 28,248 warrants were redeemed and 4,015,418 warrants expired.

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 2,678,388.

#### 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	2 793 666	0	19,76
TO 2017 - 2020 <sup>*)</sup>	1 250 000	1 250 000	0	0,1
TO 2017 - 2037	1 770 079	0	1 770 079	0,1
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>6 722 054</b>	<b>4 043 666</b>	<b>2 678 388</b>	

<sup>\*)</sup> Warrants related to loan financing.

#### 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**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jul - Sep</b>	<b>Jul - Sep</b>	<b>Jan - Sep</b>	<b>Jan - Sep</b>	<b>Jan - Dec</b>
Net Sales (TSEK)	39 353	31 816	97 227	91 420	123 061
Total Revenue (TSEK)	41 545	31 933	103 785	91 558	123 467
Gross Profit (TSEK)	37 654	25 885	90 237	74 178	99 490
Gross Margin (%)	90,6%	81,1%	86,9%	81,0%	80.6%
EBITDA (TSEK)	9 099	-3 990	-4 631	-19 768	-39 031
EBIT (TSEK)	1 260	-14 465	-33 204	-50 991	-80 464
Net Profit/Loss (TSEK)	-9 964	-25 765	-61 816	-79 537	-188 169
Earnings Per Share (SEK) before Dilution	-0,39	-1,05	-2,41	-3,23	-7,65
Earnings per Share (SEK) after Dilution	-0,39	-1,05	-2,41	-3,23	-7,65
Price per Earnings (SEK)	N/A	N/A	N/A	N/A	-1,98
Equity per Share	-5,90	0,84	-5,90	0,84	-3,79
Number of Shares before Dilution (EoP)	25 659 550	25 659 550	25 659 550	25 659 550	25 659 550
Number of Shares after Dilution (EoP)	28 571 020	32 929 633	28 571 020	32 929 633	32 929 633
Average Number of Shares before Dilution	25 659 550	24 610 800	25 659 550	24 610 800	24 610 800
Average Number of Shares after Dilution	30 578 729	31 880 883	30 750 327	32 280 754	32 280 754
Number of Employees (FTE) (EoP)	119	170	119	170	150
Average Numbers of Employees (FTE)	126	169	135	173	178
Number of Employees and External Resources (EoP)	125	176	125	176	156
Equity/Assets Ratio (%)	Negativ	6%	Negativ	6%	Negativ
Quick Ratio (%)	54%	83%	73%	83%	87%
Net Debt (-), Net Cash (+) (TSEK)	-271 674	-195 303	-271 674	-195 303	-233 741

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

(TSEK)	2020-09-30	2019-09-30	2019-12-31
Mortgage	0	50 000	50 000
Pledged Shares in Subsidiaries	61 394	66 611	64 724
Cash and Cash Equivalents	0	12 764	8 597
<b>TOTAL</b>	<b>61 394</b>	<b>129 375</b>	<b>123 321</b>

**PLEDGED ASSETS IN PARENT COMPANY**

(TSEK)	2020-09-30	2019-09-30	2019-12-31
Pledged Shares in Group Companies	85 500	85 500	85 500
Mortgage	0	50 000	50 000
Cash and Cash Equivalents	0	12 764	8 597
<b>TOTAL</b>	<b>85 500</b>	<b>148 264</b>	<b>144 097</b>

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

(TSEK)	2020-09-30	2019-09-30	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)	2020-09-30	2019-09-30	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 Jul - Sep	2019 Jul - Sep	2019 Jan - Dec
Order Intake	35 126	37 316	147 039
whereof China	0	2 101	4 366
Invoiced Sales (Billings)	40 467	32 042	138 288
whereof China	0	2 101	4 366
Recurring Revenue	16 895	14 860	60 040
Contract Retention Rate	95.4%	95.8%	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.

**Free Cash Flow (FCF)** – The sum of cash flow from operating activities and investment activities.

**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.
- 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 October - Decemeber 2020	February 10 2021
Interim report January - March 2021	May 14, 2021
Annual General Meeting 2021	May 18, 2021
Interim report April - June 2021	August 26, 2021
Interim report July – September 2021	November 11, 2021

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

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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, 28<sup>th</sup> of October, 2020

John Vestberg  
 President and CEO