

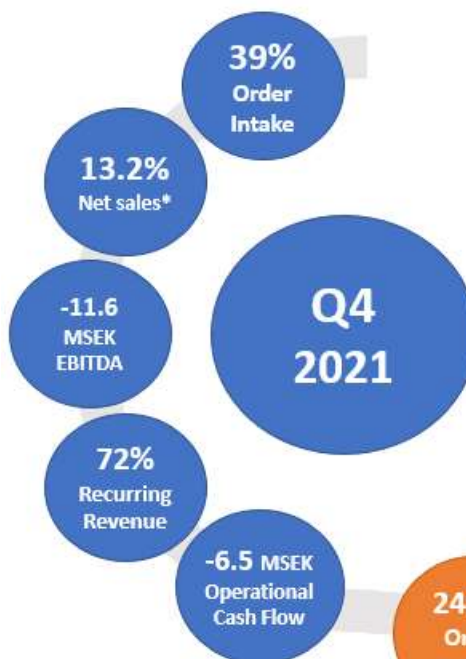
**INTERIM REPORT
CLAVISTER HOLDING AB (PUBL)
OCTOBER – DECEMBER 2021**



SUMMARY OF PERIOD OCTOBER - DECEMBER 2021

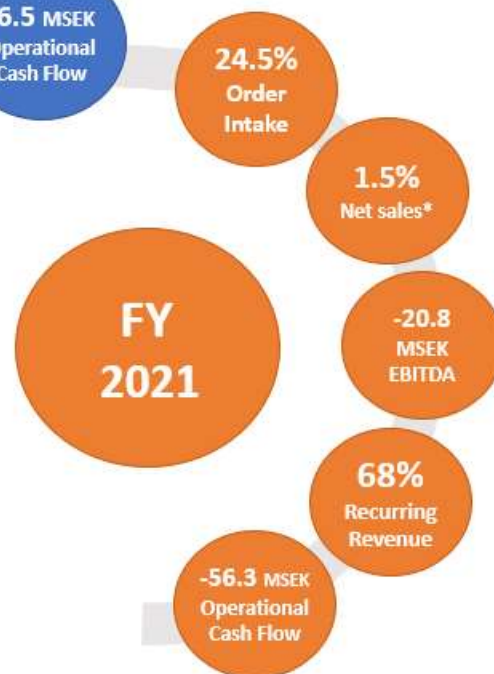
FINANCIAL SUMMARY OCTOBER – DECEMBER 2021

- Order Intake amounted to 44.3 (31.8) MSEK.
- Net Sales amounted to 36.0 (30.9) MSEK. FX adjusted Net Sales amounted to 35.9 (31.7), an increase of 4.2 MSEK.
- Gross Profit amounted to 31.7 (32.1) MSEK, corresponding to a gross margin of 85.2 (88.3) %.
- EBITDA amounted to -11.6 (-14.8) MSEK.
- EBIT amounted to -20.7 (-23.2) MSEK.
- Net Profit amounted to -29.3 (-19.4) MSEK and earnings per share to -0.53 (-0.50) SEK.
- Operating Cash Flow amounted to -6.5 (8.1) MSEK.



FINANCIAL SUMMARY JANUARY – DECEMBER 2021

- Order Intake amounted to 191.6 (153.9) MSEK.
- Net Sales amounted to 129.3 (128.1) MSEK. FX adjusted Net Sales amounted to 131.1 (129.2), an increase of 1.9 MSEK.
- Gross Profit amounted to 115.1 (122.4) MSEK, corresponding to a gross margin of 85.7 (87.3) %.
- EBITDA amounted to -20.8 (-19.4) MSEK.
- EBIT amounted to -57.2 (-56.4) MSEK.
- Net Profit amounted to -91.2 (-81.2) MSEK and earnings per share to -1.68 (-2.08) SEK.
- Operating Cash Flow amounted to -56.3 (24.1) MSEK.
- The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for the 2021 fiscal year.



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It is encouraging to see that our investments in go-to-market and business model during the year are yielding results, with the fourth quarter providing strong growth both in order intake, up by 39%, and in recurring revenues, up by 43% year-on-year.



John Vestberg,
President and CEO, Clavister

Comparative figures are according to the adopted Annual Accounts of 2020. Numbers within parentheses refer to the corresponding period or date of last year, unless otherwise specified.

**Change in net sales refers to FX adjusted net sales.*

COMMENTS BY THE CEO

It is encouraging to see that our investments in go-to-market and business model during the year are yielding results, with the fourth quarter providing strong growth both in order intake, up by 39%, and in recurring revenues, up by 43% year-on-year. To accelerate the journey to profitability and positive cash flow a cost optimization program has been launched during the fourth quarter.

FINANCIAL DEVELOPMENT

Our fourth quarter provided an order intake of 44 (32) MSEK, a growth of 39% year-on-year. We saw strong uptake in the business in general, with our Next-Generation Firewall, IAM and 5G Security solutions being the key solutions driving the growth. In addition, the business originated from a wide mix of partners and customers, with no exceptionally large order skewing the order intake profile in the quarter. For the full year of 2021, we note an order intake of 192 (154) MSEK, a growth of 25%.

The order book balance at the end of the quarter amounted to 87 MSEK, an increase of 66 MSEK from Q4 2020.

Net sales amounted to 36 (31) MSEK, a growth of 16% year-on-year. The transition to a new subscription-based business model, launched in the beginning of the quarter, had an expected short-term negative impact on recognized revenues in the period as more of the contract value is linked to software license recognized over time.

Consequently, our recurring revenues in the fourth quarter saw strong positive development, with a year-on-year growth of 43%. For the full year of 2021, recurring revenues amounted to 70% of our total revenues, a new benchmark for Clavister. The positive trend of increased recurring revenues provides for a solid revenue generating platform in upcoming periods. We are confident that this transformation will deliver greater long-term value for both Clavister and our shareholders.

Gross margin for the fourth quarter was 85% (88%), well above our target of 80%. In the new business model gross margins are lower in the first phase of newly acquired customer contracts, after which the contracts provide very high margins for the remainder of their length. In periods of high growth, we anticipate somewhat lower gross margins due to the inflow of new contracts in the mix.

Cash operating expenses for the period were slightly lower than the same period last year, at -55 (-56) MSEK.

NEW BUSINESS MODEL

The new subscription-based business model has so far been well received by our partners and customers, and as such we attribute a good part of the uptake in the fourth quarter to the positive reception.

Not only does the model benefit the customers with a much lower investment threshold along with a predictable OPEX-based fee; it also represents a unique approach to licensing and pricing in the Next-Generation Firewall market which strengthens Clavister's value proposition.

KEY WINS IN THE QUARTER

Within the public sector, we had the pleasure to welcome several government agencies and critical infrastructure businesses, both in Nordics and in DACH, as new customers to Clavister. We are also delighted to note that a very significant long-term law enforcement agency customer decided to extend their business with Clavister – a testament to the importance and trust placed in European cybersecurity.

Several new service provider businesses were won in the period. Among others, an Asian-based operator expanded their security offering based on Clavister products, and in Latin-America, a 4G/5G operator increased their security posture with Clavister's 5G Security solution.

Our engagements within the defence sector progressed according to plan during the period. We are rapidly approaching the end of the pre-series phase of our defence contract with BAE Systems and will be moving into series deliveries in 2022.

As previously announced, the acquisition of AI/ML vendor Omen Technologies was completed in the period. The AI/ML technology is currently being integrated into Clavister's portfolio, while we in parallel are conducting a series of pilots and proof-of-concept deployments with prospect customers.

COST-OPTIMIZATION PROGRAM

We note good momentum in the business, demonstrated not only by a strong fourth quarter, but more important by a business opportunity pipeline which has grown significantly.

At the same time, we are mindful of our liquidity and cash-flow profile which exposes unnecessary financing risk. To mitigate this risk, we have launched a significant cost optimization program in the quarter.

The goal of the program, which focuses mainly on managerial and administrative resources, is to reduce our cash operating expenses with 20% from the 2021 exit run-rate level. As such, the program will have a significant impact on cash-flow without jeopardizing our go-to-market engine and our IPR investments.

OUTLOOK

Because of the impact of the transition to the subscription-based business model, we expect a moderate net sales growth in 2022 over 2021. As the effects of the transition normalize, we believe the net sales growth to increase to an average growth (CAGR) of 20% over the years 2023 through 2025.

On the back of our cost-optimization program, we expect to establish a significantly lower run-rate cash OPEX level which will have a clear positive impact on cash flow and EBITDA already in 2022.

I would like to thank all Clavister colleagues, partners, and our shareholders for their commitment to building a European cybersecurity leader!

*John Vestberg, President and CEO
Örnsköldsvik, Sweden, 17 February 2022*

COMMENTS ON CLAVISTER'S INTERIM FINANCIAL STATEMENTS

ORDER INTAKE

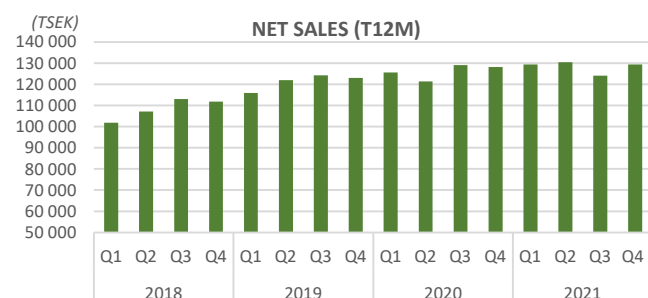
Total Order Intake for the quarter amounted to 44.3 (31.8) MSEK, a year-on-year increase of 39%. The transition to a new subscription-based business model, enhanced sales management and a strengthened focus both in terms of solution packaging and geographic markets contribute to the increase.



The order book balance on 31 December 2021 amounted to 86.6 (20.7) MSEK. Deferred revenue from pre-paid contracts amounted to 60.4 (62.9) MSEK on 31 December 2021, whereof 40.5 MSEK will be recognized as revenue during the coming 12-month period. At the end of 2021, the transaction price allocated to remaining contractual performance obligations was 1.5 (0) MSEK and the majority will be recognized as revenue over the next three years. This represents contracted but not yet invoiced nor delivered future performance obligations.

NET SALES

Net Sales for the quarter amounted to 36.0 (30.9) MSEK, a year-on-year increase of 16.5%. The fact that net sales are growing slower than order intake in the fourth quarter is primarily explained by the transition to a subscription-based revenue model in which most of the performance obligation is fulfilled over time, with most of the contracts being 36 months. In the new business model, a larger part of the performance obligation's value has been transferred from the hardware component to the software, resulting in a larger part of the performance obligation being fulfilled over time. Adjusted for currency effects Net Sales amounted to 35.9 (31.7) MSEK, an increase of 13.2%.

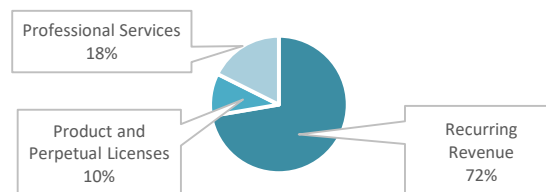


Recurring revenue from software subscriptions and other term-based contracts grew with 43.3% in the quarter and represented 72% (58%) of total net sales.

REVENUE BY TYPE

(TSEK)	2021	2020	Y/Y (%)	2021	2020
	Oct - Dec	Oct - Dec		Jan - Dec	Jan - Dec
Recurring Revenue from Subscriptions	26 035	18 159	43.3%	88 520	70 042
Product and Perpetual License Revenue	3 630	6 623	-45.2%	21 644	38 504
Professional Services	6 356	6 072	4.7%	19 136	19 535
Total Net Sales	36 021	30 854	16.7%	129 300	128 081

NET SALES BY TYPE



GROSS MARGIN AND GROSS PROFIT

Gross margin amounted to 85.2% (88.3%). The year-on-year change is due to nominal variations in product mix.



Gross profit for the quarter amounted to 31.7 (32.1) MSEK, a decrease by 1.2%.

OPERATING EXPENSES AND OPERATIONAL RESULT

Total operating expenses amounted to -54.8 (-55.9) MSEK. Adjusted for non-recurring costs operating expenses amounted to -51.4 (-47.0) MSEK. The quarter was impacted by non-recurring costs of -3.4 (-8.9) MSEK. The increase in the period compared to the comparative period relates to increased cost for external consultant for software development and cost for marketing.

Personnel expenses amounted to -43.1 (-39.0) MSEK. Organizational changes generated non-recurring costs of -3.4 (-1.9) MSEK.

Other external expenses amounted to -11.7 (-16.9) MSEK and consist mainly of marketing, IT and communication and external consultants. In the comparative period the result was negatively impacted by a provision for the remaining lease for the office in Umeå of -3.8 MSEK and a warranty provision amounting to -3.2 MSEK. There are no similar items for the current period.

EBITDA amounted to -11.6 (-14.8) MSEK.

Depreciation amounted to -9.1 (-8.4) MSEK, whereof -1.2 (-1.7) MSEK is attributed to IFRS 16.

EBIT amounted to -20.7 (-23.2) MSEK.

COST OPTIMIZATION PROGRAM

To accelerate the movement to positive cash-flow an extensive cost optimization program was launched in the end of the fourth quarter with the aim to reduce our run-rate cash OPEX with 20 %. The program targets to streamline the business and extract higher efficiencies by reducing managerial and administrative resources and external spending whilst safeguarding our development capabilities and strengthening our go to market organization.

The program will run until Q3 2022 where all activities will be completed. The cost optimization program has commenced in Q4 and the profit and loss impact in Q4 amounts to -3.4 MSEK with an expected cash flow impact in Q1-Q2 2022. Further actions in Q1-Q2 2022 have an estimated profit and loss impact of -2 to -4 MSEK, the cash flow impact is expected in Q2-Q3 2022. The full reduced run-rate cash OPEX will be achieved during Q4 2022. The progress and status of the cost optimization program will be monitored and disclosed in the coming quarterly reports.

MSEK	
Run rate cash OPEX per exit 2021	-196
Further investment in go to market 2022	-8
Cost optimization program	40
Run rate cash OPEX per exit 2022	-164*

* Note that run-rate cash OPEX and P&L OPEX will differ, hence there will be a lag between reduced run-rate Cash OPEX and OPEX visible in the P&L.

FINANCIAL NET

Financial income and expenses amounted to -8.9 (3.3) MSEK, whereof currency revaluations for long-term liabilities -0.5 (10.1) MSEK, costs for warrants and costs related to long-term liabilities -4.7 (-2.8) MSEK, and long-term interest to lenders -2.9 (-2.2) MSEK. These items are non-cash.

The Financial net consists of the following items impacting cash-flow; interest on factoring, short-term interest to lenders and interest income -0.7 (-1.1) MSEK, interest on leasing contracts under IFRS 16 - 0.1 (-0.7) MSEK.

RESULT AFTER TAXES

Result after taxes amounted to -29.3 (-19.4) MSEK.

INVESTMENTS IN INTANGIBLE ASSETS

Investments in intangible assets amounted to 0 (10.2) and capitalized costs for development work amounted to 12.1 (9.0) MSEK, whereof 11.5 (9.0) MSEK refers to capitalized hourly costs. During the quarter Clavister acquired Omen Technologies AB which resulted in recognized goodwill of 14.8 (0) MSEK.

CAPITALIZED DEVELOPMENT

TSEK	2021 Oct - Dec	2020 Oct - Dec	2021 Jan-Dec	2020 Jan-Dec
Capitalization of development costs	12 089	8 954	39 414	33 078
Amortization of capitalized development costs	-7 314	-6 766	-26 107	-28 266
Change in capitalization of development costs	4 775	2 188	13 307	4 812

BALANCE SHEET AND FINANCIAL POSITION

Shareholders' Equity and Liabilities

Equity amounted to -53.8 (12.1) MSEK. Negative group equity is not an issue from a Companies Act perspective. Equity for the parent company Clavister Holding AB amounted to 187.4 (458.4) MSEK. The large decrease is due to impairment of shares in subsidiaries, explained under the section impairment testing, and group contribution to subsidiaries.

Interest-bearing Liabilities

On 31 December 2021, interest-bearing liabilities amounted to 222.9 (227.4) MSEK, distributed between long-term debt of 207.6 (221.3) MSEK and short-term debt of 15.3 (6.1) MSEK.

Financial Net Debt

On 31 December 2021, the financial net debt amounted to -173.0 (-84.2) MSEK.

CASH-FLOW

Cash flow from operating activities amounted to -6.5 (8.1) MSEK. The weaker cash-flow is primarily driven by an increase in operating receivables and a decrease in operating liabilities in the period. Operation Cash flow before working capital changes improved from -14.9 to -10.9 MSEK Y/Y.

Cash flow from investing activities amounted to -15.1 (-19.2) MSEK and is attributed to the capitalization of development costs of -12.1 MSEK, the acquisition of Omen Technologies AB amounting to -2.8 MSEK and other acquisition of financial assets of -0.2 MSEK.

Cash flow from financing activities amounted to -3.6 (122.8) MSEK. Of which the majority refers to the repayment of leasing liabilities.

Change in cash position was -25.2 (111.7) MSEK. Cash balance amounted to 49.9 (143.2) MSEK on 31 December 2021.

IMPAIRMENT TESTING

During the impairment testing of shares in subsidiaries an impairment need was identified resulting in an impairment of 200 (0) MSEK during the quarter. The impairment is connected to historical shareholder contributions to cover losses in subsidiaries who were not written down at the time when they were recorded.

MARKET

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

PERSONNEL AND ORGANIZATION

On 31 December 2021, the number of full-time equivalent employees (FTE) amounted to 133 (130). Clavister also engaged external consultants corresponding to 14 (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

Kindly see the Annual Report 2020, where an extensive summary is provided of risks and uncertainties in the business that could significantly affect the results and share performance.

The Board of Directors and the CEO assesses that Clavister has a liquidity position that allows the Group to continue its operations and prepare the financial statements under a going-concern assumption. The ending cash-balance is 49.9 MSEK and several actions have been taken to reduce the negative cash-flow in the Group in 2022 compared to 2021. As Clavister will use the possibility to strengthen liquidity through deferral of tax payments our cash balance is expected to be significantly improved. Further actions to strengthen liquidity or to reduce negative cash-flow can be implemented if need arises.

MATERIAL POST-CLOSING EVENTS

After the quarter ended, the Swedish Government announced that several of the Covid-19 support programs were to be strengthened and/or prolonged to support business until the negative effects of Covid-19 have eased. One such program is liquidity support through deferral of tax payments related to staff and VAT. Clavister previously used this liquidity support but repaid it in full during H1 2021. As the program is enlarged and will continue until early 2023, with the possibility to be prolonged into 2024, Clavister have decided to use the possibility to strengthen liquidity by deferral of tax payments.

AMBITIONS AND PLANNING ASSUMPTIONS

Because of the impact of the transition to the subscription-based business model, we expect a moderate net sales growth in 2022 over 2021. As the effects of the transition normalize, we believe the

net sales growth to increase to an average growth (CAGR) of 20% over the years 2023 through 2025.

Assuming the component shortage situation gets mitigated, and no additional severe Covid-related impacts to our business, Clavister's ambition is further to reach a sustainable EBITDA profitability level during 2022, and to demonstrate positive Free Cash Flow (FCF) by 2023.

The ongoing Covid-19 pandemic contributes to higher uncertainty in assessing the development of the global cyber security industry.

The FY2022 ambition is based on the following assumptions:

- Moderate net sales growth during 2022 over 2021 and thereafter at least 20% per year on average, over three years 2023 through 2025
- 80%+ gross margin; variations over quarters due to product mix and transition to recurring revenue business model
- Successful completion of the cost optimization program by end of Q3 2022 with a run-rate cash OPEX reduction with 20% from the 2021 exit run-rate level
- Controlled mid-term impact by the COVID-19 pandemic

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

CONDENSED CONSOLIDATED INCOME STATEMENT

(TSEK)	2021	2020	2021	2020
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales	36 020	30 854	129 300	128 081*
Other revenue	1 237	5 520	4 981	12 078*
Total revenue	37 257	36 374	134 281	140 159
COGS	-5 526	-4 252	-19 188	-17 800
Gross profit	31 731	32 122	115 093	122 359
Cap. Dev. Expenses	11 456	8 954	38 041	33 078
Staff costs	-43 094	-38 999	-142 756	-136 015
Other external costs	-11 703	-16 881	-31 195	-38 856
EBITDA	-11 610	-14 804	-20 817	-19 434
Depreciation and amortization	-9 086	-8 406	-36 422	-36 979
EBIT	-20 696	-23 210	-57 239	-56 413
Financial items	-8 900	3 288	-34 298	-24 456
Result after financial items	-29 596	-19 922	-91 537	-80 869
Taxes	305	501	378	-367
Net profit - loss	-29 291	-19 421	-91 159	-81 237
<i>Average number of shares before dilution</i>	<i>55 528 463</i>	<i>38 981 281</i>	<i>54 416 683</i>	<i>38 981 281</i>
<i>Average number of shares after dilution</i>	<i>62 368 907</i>	<i>43 140 407</i>	<i>60 039 350</i>	<i>45 319 713</i>
<i>Earnings per share before dilution, SEK</i>	<i>-0,53</i>	<i>-0,50</i>	<i>-1,68</i>	<i>-2,08</i>
<i>Earnings per share after dilution, SEK</i>	<i>-0,53</i>	<i>-0,50</i>	<i>-1,68</i>	<i>-2,08</i>
Net profit relating to Shareholders of the Parent Company	-29 291	-19 421	-91 159	-81 237
<i>Total results of the Group:</i>				
Net profit (loss) end of the period	-29 291	-19 421	-91 159	-81 237
Other profit	-151	474	-125	-35
Net profit (loss)	-29 442	-18 947	-91 284	-81 272

* An adjustment has been made between net sales and other revenue which affects fiscal year 2020 in comparison with published annual report.

CONDENSED CONSOLIDATED BALANCE SHEET

<i>(TSEK)</i>	2021-12-31	2020-12-31
Assets		
<i>Subscribed but unpaid share capital</i>	0	17 665
Non-current assets		
Goodwill	66 571	51 875
Intangible assets	111 220	102 073
Right of use assets	7 600	15 517
Other long-term receivables	419	226
Total non-current assets	185 810	169 691
Current assets		
Inventories	5 890	7 240
Current receivables	51 267	45 098
Cash and bank balances	49 886	143 189
Total current assets	107 043	195 527
Total assets	292 854	382 883
Equity and liabilities		
Equity		
Equity*	-53 839	12 069
Total equity	-53 839	12 069
Liabilities		
Long-term liabilities		
Convertible debentures	0	9 116
Liabilities to credit institutions	222 588	204 523
Lease liabilities	3 497	11 372
Deferred tax liabilities	104	681
Total long-term liabilities	226 189	225 692
Current liabilities		
Convertible debentures	9 921	0
Lease liabilities	5 345	6 117
Accounts payable	10 190	17 640
Other liabilities	10 779	30 702
Deferred revenues	60 349	62 936
Accrued expenses and deferred income	20 519	27 727
Provisions	3 400	0
Total current liabilities	120 504	145 122
Total liabilities	346 692	370 814
Total equity and liabilities	292 854	382 883

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(TSEK)	2021	2020	2021	2020
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Equity, beginning of period	-36 349	-151 419	12 069	-89 283
Cash issue	12 063	186 315	29 728	186 318
Issue expenses	-111	-21 547	-250	-21 947
Non-registered issue	0	17 665	-17 665	17 665
Due, not redeemed warrants	0	0	0	-940
Non-registered issue	0	0	538	0
Share-based compensation	0	0	13 040	1 527
Other total income for the period	-151	475	-125	-36
Result for the period	-29 291	-19 421	-91 159	-81 237
Equity, end of period	-53 839	12 069	-53 824	12 069

* Comparative figures are according to the adopted Annual Accounts of 2020

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(TSEK)	2021	2020	2021	2020
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Profit (loss) before taxes	-29 596	-19 922	-91 552	-80 869
Reversal of depreciation and write-downs	9 086	8 406	36 422	36 979
Other adjustments for non-cash items, etc *	8 156	-5 132	31 923	16 075
Paid taxes	1 440	1 720	-202	371
Cash flow from operating activities before working capital changes	-10 914	-14 928	-23 409	-27 444
Changes in inventories	-42	-1 721	1 349	760
Changes in operating receivables	-16 881	2 080	-4 223	-1 041
Changes in operating liabilities	21 295	22 700	-30 033	51 874
Cash flow from operating activities	-6 542	8 131	-56 316	24 149
Acquisition of tangible/intangible assets	0	-10 248	0	-21 224
Investment of capitalized development work	-12 089	-8 953	-39 414	-33 078
Acquisition of subsidiaries	-2 772	0	-2 772	0
Other acquisition of financial fixed assets	-192	0	-192	0
Cash flow from investing activities	-15 053	-19 201	-42 378	-54 302
Borrowings	0	-39 774	0	-54 774
Amortization of leasing liabilities	-3 650	-1 297	-8 649	-6 259
New share issue, incl transaction cost	27	163 832	18 091	163 432
Other changes in financing activities	0	0	-4 051	0
Cash flow from financing activities	-3 623	122 761	5 391	102 399
Change in Cash Position	-25 218	111 690	-93 303	72 247
Cash, beginning of period	75 104	31 499	143 189	70 942
Cash, end of period	49 886	143 189	49 886	143 189

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

Principles for recording non-cash items related to free of charge warrants to lenders and long-term interests that do not expire in the period have been updated and excluded from the cash-flow as these items are non-cash. Comparative figures have been restated to reflect the updated principle.

CONDENSED INCOME STATEMENT FOR PARENT COMPANY CLAVISTER HOLDING AB

(TSEK)	2021	2020	2021	2020
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales	1 750	5 400	6 250	8 685
Other Revenue	0	212	1	221
Total revenue	1 750	5 612	6 251	8 906
Staff costs	-4 099	-1 281	-16 005	-6 218
Other external costs	-1 816	-2 031	-6 389	-7 005
EBITDA	-4 164	2 300	-16 142	-4 317
Write-down of shares in subsidiaries	-200 000	0	-200 000	0
Financial items	-153	-1 558	-594	-8 679
Result after financial items	-204 317	742	-216 736	-12 996
Group contribution paid	-80 000	-30 000	-80 000	-30 000
Taxes	135	0	261	-842
Net result	-284 182	-29 258	-296 475	-43 838

CONDENSED BALANCE SHEET FOR PARENT COMPANY CLAVISTER HOLDING AB

<i>(TSEK)</i>	2021-12-31	2020-12-31
Assets		
<i>Subscribed but unpaid share capital</i>	0	17 665
Fixed assets		
Shares in group companies	400 082	559 822
Total fixed assets	400 082	559 822
Current assets		
Current receivables	840	635
Cash and bank balances	13 845	32 282
Total current assets	14 685	32 917
Total assets	414 766	610 405
Equity and liabilities		
Equity		
Equity	187 350	458 434
Total equity	187 350	458 434
Liabilities		
Long-term liabilities		
Convertible debentures	0	9 116
Liabilities to Group companies	199 462	126 100
Deferred tax	104	364
Total long-term liabilities	199 566	135 579
Current liabilities		
Liabilities to Group companies	11 950	0
Convertible debentures	9 728	0
Accounts payable	1 400	13 320
Other liabilities	768	1 748
Accrued expenses and deferred income	2 175	1 324
Provisions	1 830	0
Total current liabilities	27 851	16 392
Total liabilities	227 417	151 971
Total equity and liabilities	414 766	610 405

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 2020 with the addition mentioned below.

In Q4, Clavister introduced a new subscription-based business model, which required an update of the accounting principles for revenue recognition. In the new subscription-based model, the transaction price is allocated in accordance with the identified performance obligations and recognized as revenue when control has passed to the customer. These solutions include the following performance obligations: hardware, hardware replacement service, the right to use the software license, updates to the software license, third party data and support. For the right to use the software license, control passes to the buyer directly and the revenue is thus reported at this time. The remaining performance obligations are fulfilled over time and thus the revenue is also reported over time.

NOTE 2 SEGMENT REPORTING

A business segment is a part of the Group which operates independently and can generate revenue and incur costs and the operating result is reviewed by the Group's chief operating decisionmaker and for which there is separate and individual financial information available.

Management reviews the Group's business performance from a net sales perspective, totally and broken down into separate geographical markets. Costs are not reviewed on a geographical market instead from a total and functional cost base breakdown. Management reviews the Group's operating result as a whole and therefore the Group is considered to be a segment in the interim report.

NOTE 3 SHAREHOLDERS AND SHARES

The share capital amounts to 5,482,657 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.

On 31 December 2021, the number of shareholders amounted to 5,423 and the number of registered shares were 56,530,354.

	Number of shares	% of total number of shares
THE 10 LARGEST SHAREHOLDERS		
HSBC Trinkhaus and Burkhardt AG	6 221 148	11,0%
Försäkringsaktiebolaget, Avanza		
Pension	4 070 889	7,2%
Nordnet Pensionsförsäkring AB	2 554 534	4,5%
BNY Mellon	2 546 773	4,5%
Swedbank Försäkring	1 882 220	3,3%
Stena Finans	1 756 462	3,1%
RBC Investor Services Bank	1 466 666	2,6%
Danske Bank International	1 334 579	2,4%
RGG ADM-Gruppen AB	1 180 000	2,1%
CSD Förvaltning AB	1 178 943	2,1%
Other Shareholders	32 338 140	57,2%
Shares registered under the Companies Registration Office as of 2021-12-31		
	56 530 354	100,0%
Additional shares potentially issued in 2022 through 2038, due to warrants and convertible loan		
	5 838 553	
Number of shares after full dilution	62 368 907	

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

WARRANTS

There is one current incentive program addressed to key employees with a total of 2,100,000 warrants. These warrants mature in 2024. 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 3,533,719 related to loan financing. 19,801 warrants mature in 2026, 1,770,079 warrants mature in 2037 and 1,743,839 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 5,633,719.

Warrants

	Number issued	Redeeme d/Due	Open	Share Price, SEK
TO 2016-2026	19 801	0	19 801	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 2021 - 2024-06-30	2 100 000	0	2 100 000	15.93
TO 2020 - 2038-04-30	101 805	0	101 805	0.1
TO 2021 - 2038-04-30	1 605 331	0	1 605 331	0.1
	5 633 719	0	5 633 719	

CONVERTIBLE LOAN

Norrlandsfonden currently has a convertible debenture of 10 MSEK, with a conversion price of 48.82 SEK. At potential conversion there will be an additional 204,834 shares. The interest rate is based on STIBOR 90 with a floor of 0%. The convertible loan matures on My 31, 2022. Clavister has an ongoing dialogue with Norrlandsfonden with the mutual goal of replacing the current convertible loan with a new convertible loan with a corresponding amount and to prolong the maturity date with at least 2 years. The formal decision is taken during Q1 2022.

Convertible loan	Redeemed/			
	Number issued	Due	Open	Share Price, SEK
Conv loan 2022-05-31	204 834	0	204 834	48.82
Total	204 834	0	204 834	48.82

NOT 5 KEY DATA AND FIGURES

TSEK	2021	2020	2021	2020
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Net sales (TSEK)	36 020	30 854	129 300	128 081
Total revenue (TSEK)	37 257	36 374	134 281	140 159
Gross profit (TSEK)	31 731	32 122	115 093	122 359
Gross margin (%)	85,2%	88,3%	85,7%	87,3%
EBITDA (TSEK)	-11 610	-14 804	-20 817	-19 434
Operating profit (TSEK)	-20 696	-23 210	-57 239	-56 413
Net profit (loss) (TSEK)	-29 291	-19 421	-91 159	-81 237
Earnings per share (SEK) before dilution	-0,53	-0,50	-1,68	-2,08
Earnings per share (SEK) after dilution	-0,53	-0,50	-1,68	-2,08
Price per earnings (SEK)	N/A	N/A	-3,49	-3,33
Equity per share	-0,95	0,21	-0,95	0,21
Number of shares before dilution at the end of the period	56 530 354	52 303 012	56 530 354	52 303 012
Number of shares after dilution at the end of the period	62 368 907	57 709 793	62 368 907	57 709 793
Average number of shares before dilution	55 528 463	38 981 281	54 416 683	38 981 281
Average number of shares after dilution	62 368 907	43 140 407	60 039 350	45 319 713
Number of employees at the end of period (FTE)	133	132	133	132
Average number of employees (FTE)	134	126	133	141
Number of employees and external resources at end of period	147	138	147	138
Equity/assets ratio (%)	Negative	6%	Negative	6%
Quick ratio (%)	84%	130%	84%	130%
Net debt (-), Net cash (+) (TSEK)	-172 999	-84 166	-172 999	-84 166

NOTE 6 ACQUISITIONS

On November 4th, 2021, Clavister acquired Omen Technologies AB. The company is a Sweden-based provider of AI-driven cybersecurity technology. The acquisition is expected to immediately strengthen Clavister's offer within Defence with significant upsell potential into the Clavister defence customer base who have voiced a clear demand for the combined Clavister-Omen solution. There are also opportunities to grow amongst Omen's attractive pipeline of customers.

The acquisition was made through purchase of 100% of the shares and votes. The Group received control over the operations upon the date of closing the acquisition. In connection with the acquisition, Clavister Holding AB issued new shares used as payment for the acquisition in combination with a cash part. The acquisition has been accounted for using the acquisition method. Goodwill of 14.8 MSEK was recorded on the purchase.

The amounts presented in the following table detail the recognized amounts. The Group is in the process of reviewing the final values for the acquisition.

Acquired net assets at date of purchase		
<i>(TSEK)</i>	2021-12-31	2020-12-31
Intangible assets	290	0
Tangible assets	45	0
Other receivables	62	0
Cash and cash equivalent	435	0
Long-term, interest-bearing liabilities	-194	0
Other liabilities and provisions	-192	0
Net identifiable assets	447	0
Goodwill	14 822	0
Total consideration	15 269	0
The acquisitions impact on Group cash flow		
Purchase in cash	3 207	0
Cash and cash equivalents, acquired	-435	0
Net cash outflow	2 772	0

During the approximately 2 months to 31 December 2021, the subsidiary contributed 103 TSEK to the Group's revenue and -115 TSEK to the Group's result after financial items. If the acquisition had occurred on January 1, 2021, management estimates that the Group's revenue would have been 130 375 TSEK and the result after financial items would have been -91 714 TSEK.

NOTE 7 PLEDGED ASSETS

GROUP		
<i>(TSEK)</i>	2021-12-31	2020-12-31
Pledged accounts receivable	6 973	2 954
Cash and cash equivalent	0	32 282
Other pledged assets	121	121
Total	7 094	35 357
PARENT COMPANY		
<i>(TSEK)</i>	2021-12-31	2020-12-31
Cash and cash equivalent	0	32 282
Total	0	32 282

NOTE 8 CONTINGENT LIABILITIES

GROUP		
<i>(TSEK)</i>	2021-12-31	2020-12-31
Contribution for short-term working	0	1 854
Total	0	1 854
PARENT COMPANY		
<i>(TSEK)</i>	2021-12-31	2020-12-31
No Contingent liabilities	0	0
Total	0	0

NOTE 9 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

<i>(TSEK)</i>	2021	2020	202	2020
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Order Intake	44 303	31 757	191 648	153 586
Invoiced Sales (Billings)	40 646	33 140	118 945	143 039
Recurring Revenue	26 035	18 159	88 520	70 042

NOTE 10 DEFINITIONS

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

Order book balance – The net value of orders recorded and not recognized as revenue. Recording of orders is only done for orders that meet certain criteria and the order book balance is monitored continuously. Revenue is recognized in accordance with the revenue recognition principles (as described in the annual report 2020). Adjustments of the net order book value may occur from time to time due to for instance currency fluctuations, cancellations, or other minor adjustments of previously recorded orders.

Cash OPEX – Operational expenditures, including capitalized R&D, with a cash-flow impact.

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.

TCV (Total contract Value) – The entire revenue generated by one single customer contract.

LTV (Life-time Value) – The total value of a customer contract during the total lifespan of the contract.

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 January-March 2022	May 12, 2022
Annual report published	April 26, 2022
Annual General Meeting	May 17, 2022
Interim report April-June 2022	August 25, 2022

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

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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, 17th of February 2022

John Vestberg
 CEO and President