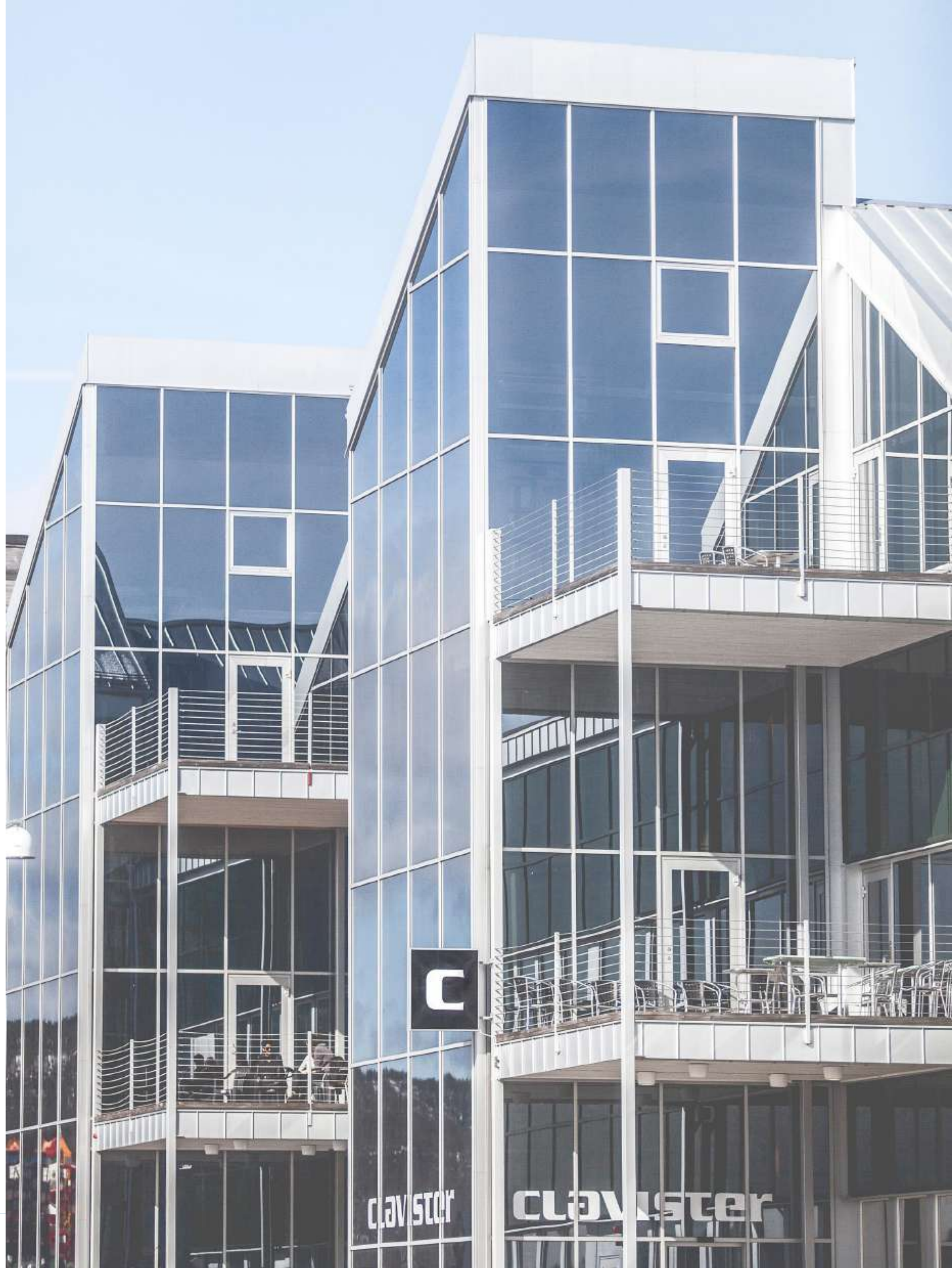
2023

Annual report & Consolidated Financial Statements Clavister Holding AB

Corporate ID number. 556917-6612



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Unless specifically stated otherwise, all amounts are reported in SEK thousands.
Data in parenteses refer to prior year.

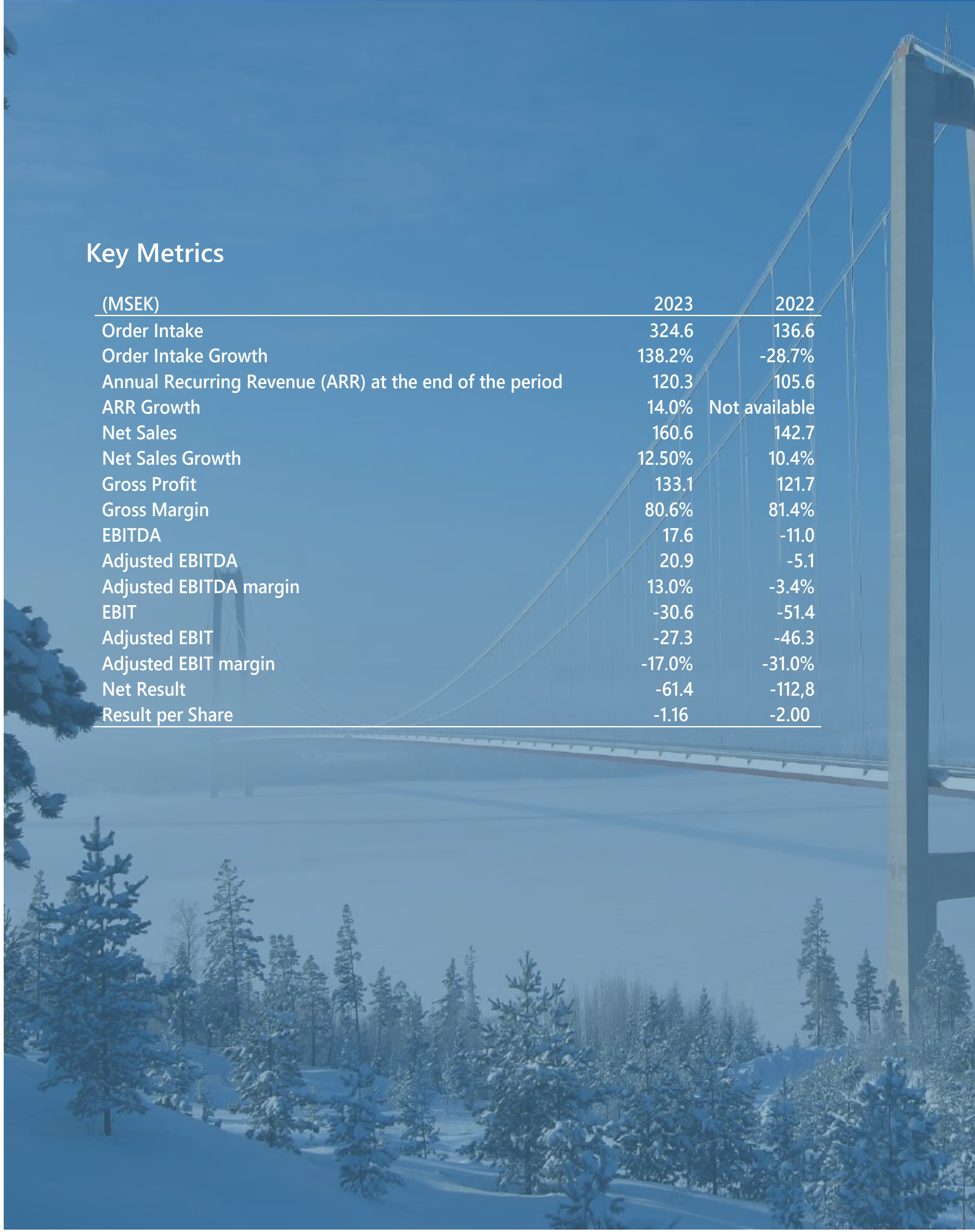
Summary of the Year

Highlights from the Year

- Strong order intake and order intake growth of 138.3 %, driven in part by defence contract worth MSEK 170.
- Annual recurring revenues (ARR) grew by 14%.
- Good net sales growth of 12.5%, driven by growth across all areas.
- Adjusted EBITDA grew from MSEK -5.3 to MSEK 20.9.

Events after the reporting period

- Fully subscribed rights issue of units, Clavister receives issue proceeds of MSEK 142 after issue costs.
- Updated repayment plan with the European Investment Bank (EIB), extension of the amortization schedule by 24 months, repayment runs over 2024-2028.



Key Metrics

(MSEK)	2023	2022
Order Intake	324.6	136.6
Order Intake Growth	138.2%	-28.7%
Annual Recurring Revenue (ARR) at the end of the period	120.3	105.6
ARR Growth	14.0%	Not available
Net Sales	160.6	142.7
Net Sales Growth	12.50%	10.4%
Gross Profit	133.1	121.7
Gross Margin	80.6%	81.4%
EBITDA	17.6	-11.0
Adjusted EBITDA	20.9	-5.1
Adjusted EBITDA margin	13.0%	-3.4%
EBIT	-30.6	-51.4
Adjusted EBIT	-27.3	-46.3
Adjusted EBIT margin	-17.0%	-31.0%
Net Result	-61.4	-112,8
Result per Share	-1.16	-2.00

A word from the CEO

We leave the year in highly turbulent times. Our solutions have never been more relevant in a world characterised by armed conflicts, escalating cyberattacks, and geopolitical mistrust. Increased defence budgets and a growing awareness of the vulnerability of actors critical to society are key drivers of our growth.

Looking back on 2023, we see a business with positive development across the board. We managed to pursue a clear growth agenda while maintaining a strong focus on costs and margins. This has resulted in a continued improved revenue growth and a clearly strengthened EBITDA margin.

The year concluded on a high note with the signing of a new defence contract worth 170 MSEK. Clavister will deliver security products to BAE Systems Hägglunds for use in CV90 vehicles for two European end customers.

INCREASED UNDERSTANDING OF NEED FOR CYBER DEFENCE

The geopolitical situation continues to drive increased defense material budget allocations unabated, and the understanding of the need for cyber defense as an important component in defense platforms is gradually maturing among both procurers and manufacturers.

Our offering to the defense sector typically consists of large deals with the potential to contribute significantly to our growth. These deals are also characterized by long-standing customer relationships that provide long-term upselling opportunities. However, the lead times from identified opportunities to customer contracts, deliveries, and cash flow are also long, often spanning several years.

A key design win in the period was our new collaboration with General Dynamics European Land Systems (GDELS), with them announcing their ambition to integrate Clavister to fortify its digital vehicle architecture against potential cyber threats.

Based on the investment we have made in the defense area in the past year, my assessment is that we will achieve success in a number of significant business opportunities during the coming year. We have a healthy pipeline of business opportunities with various actors and end customers in an increasing number of countries in Europe. We see clear possibilities to convert additional opportunities into concrete business in the near future.

Significant Defence Contracts Won

At the end of the quarter, we secured a significant defence contract with BAE Systems Hägglunds for the procurement of Clavister's Cyber Armour solution for its CV90 platform, for use by two European end-customers.

The contract is worth 170 MSEK and will be delivered over five years, starting with prototype and pre-series deliveries in 2024.

The new contract between Clavister and BAE Systems Hägglunds includes the development of an extended and upgraded product, as well as series deliveries of the product and consulting services to support BAE Systems Hägglunds with the design, integration, and validation of the solution.

Previously announced commercial defence contracts are also progressing according to plan, with additional series deliveries completed during the fourth quarter.

Telecom Market Recovery?

Our telecom business saw slow development and is still affected by the weak sentiment in the telecom market where investments in new mobile networks are held back partly due to market interest rates. However, the need for cybersecurity in mobile networks remains and will not decrease over time.

A highlight from the year was the extension of our collaboration with operator Three UK through our partner Nokia. Following

A word from the CEO

a substantial order received at the end of the period, Clavister will perform a comprehensive network upgrade of Three UK's security deployment to the latest Clavister software version. As the upgrade journey unfolds, we anticipate more software license orders. Additionally, our business with Three UK is transitioning towards a subscription-based model.

Intel Labs' latest validation of Clavister NetShield's leading performance scalability, which was published in the period, further endorses our product's proficiency in the 5G security domain.

We have good engagement with the customer base we have won so far, which drives consulting revenues and creates a platform for additional license revenues.

Analysts indicate continued challenges for mobile operators in 2024, given the macro-economic situation, but are at the same time highlighting growth areas which will benefit the telecom suppliers, such as Nokia – a key partner to Clavister.

In the medium to long term, our assessment therefore remains that there is good growth potential in the telecom area.

Stable IAM Business – ready for expansion

One of our base businesses, Identity and Access Management (IAM), ended the year on a positive note, with strong sales growth and positive momentum. but I am convinced that we have good opportunities to further increase the growth rate in these businesses.

Within the IAM business domain, our focus has been to solidify our position as a Nordics market front-runner. During the year, we expanded our sales, marketing, and delivery teams to be able to meet the demand for our identity solutions, especially within the Nordic public sector.

Moreover, our endeavors have laid the groundwork for the expansion of the IAM business into geographical markets outside the Nordics.

We have gradually reduced our dependence on external consultants throughout the year, replacing them with own employees with high domain expertise in the identity sector. This allows us to take on larger and more complex customer projects at lower operational costs.

Extensive work is underway to package our IAM solutions in a way that allows more of our resellers, both in the Nordics and the rest of Europe, to offer our products to their end customers. By means of example, we have deepened our collaboration with TietoEvry, which have chosen to offer more of our solution packages to their end customers, and in the DACH region, we welcomed KonceptPlus as a new partner.

STRONGER GROWTH AMBITIONS IN THE NGFW BUSINESS

The second of our two base businesses, Next-Generation Firewalling (NGFW), shows a stable development during the year. I am convinced that we have good opportunities to further increase the growth rate in these businesses.

Among other things, we continue to optimize our channel sales through deeper relationships with key market players. An example of this is our enhanced collaboration with distributor Arrow ECS, where Clavister becomes a prioritized security provider in Arrow's operations.

Another example is the establishment of a "Partner Success Management" team aimed at stimulating additional upselling through existing partners and customers and minimizing customer churn.

A significant milestone in the period was the extension of our contract with International Workplace Group (IWG), a global frontrunner that facilitates flexible workspaces for over 8 million individuals. This partnership ensures a minimum order volume of 23 MSEK over the next three years.

Another example of an exciting customer engagement is our Swedish partner Bluecom, who was commissioned by the Swedish Hockey League (SHL) to deploy Clavister's products for providing cybersecurity in all Swedish SHL arenas.

We continue our journey towards focusing on customers with mission-critical applications to capitalize on the need for cybersecurity with European origins. During the period, we won several key customers in both the public sector and the infrastructure sector, strengthening our belief that our strategic direction is correct.

We believe that our positioning as a Swedish supplier with Swedish technology content is becoming increasingly relevant as European regulations tighten and cybersecurity maturity generally increases within our target audience.

The NIS 2 directive, which needs to be implemented by EU member states by October 2024, is a clear example of European legislation that will drive European cybersecurity growth.

ANNUAL RECURRING REVENUE (ARR) AS METRIC

During the year, with the changed business model and transitioned from a model with a large share of one-time revenues to a model predominantly based on recurring revenues, we have introduced the key metric ARR (Annual Recurring Revenue) to provide a better understanding of how our recurring revenues are developing.

Annual recurring revenues (ARR) grew by 14 % and amounted to 120 MSEK at the end of the period.

We maintain order intake as a key metric but want to make it clear that the order intake will continue to fluctuate due to the nature of primarily defense-related transactions.

Strengthening the Balance Sheet

Our journey towards profitability is progressing according to the plan we have set, and we are delivering continuous improvements in underlying profitability and operational cash flow, as clearly illustrated by the consistently improved results in the last five quarters.

A word from the CEO

As part of the journey, we need to manage our balance sheet, particularly our net debt, which poses challenging repayment plans in relation to available liquidity.

Clavister has a loan with the European Investment Bank (EIB) of 20 MEUR since 2017. The loan has been pivotal to finance the development of our cybersecurity products. The existing repayment plan has a profile that we believe counteracts the buildup of long-term and stable positive cash flows. We have reached an agreement with the European Investment Bank (EIB) for an updated repayment plan for the remaining loan of 19.5 million EUR. The new plan extends the repayment period by 24 months and has a repayment profile which will better align with our future cash flows. For the years 2024 and 2025, the new plan has close to 13 MEUR lower repayments compared to the previous plan.

In December, with the assistance of ABG Sundal Collier, we launched a rights issue of units to improve liquidity and facilitate a faster reduction of debt.

The rights issue, which concluded end of January, was fully subscribed, and brings approximately 170 MSEK of liquidity before transaction costs. If fully utilised, the warrants issued along with the rights issue could bring up to an additional 119 MSEK before transaction costs.

Both the successful rights issue and the new agreement with EIB will have significant positive effects for Clavister, directly in terms of stronger liquidity and reduced risk, and indirectly through a financial net improving gradually as today's significant interest costs decrease.

Outlook

In summary, we leave behind a year where our focus on critical infrastructure continues to make a clear impact on our growth and results.

We expect our sales growth for the full year 2024 to exceed that of 2023. From 2023 through 2025, we aim for a revenue growth of at least 20 % (CAGR).

Operational efficiencies have led to a lower cost base, and we estimate that our OPEX for the full year 2024 will be on par with the 2023 level, despite inflationary impact.

Our ambition for 2024 is to achieve an EBITDA margin of at least 20 % and a positive operational cash flow.

Thank you for joining us on our continued growth journey!

John Vestberg, CEO and President

Market

Market overview

The cybersecurity landscape is evolving rapidly, influenced by technological advancements such as IoT, artificial intelligence (AI) and machine learning (ML). These technologies are shaping up the way we live our lives but these advancements are also escalating the threats and consequences of inadequate cybersecurity. IoT devices are increasingly being used as gateways for cyberattacks. Despite operating on closed networks, these devices can be hacked by cybercriminals to eavesdrop on conversations or intercept data. AI-powered malware is another growing threat, leveraging AI and ML to develop malicious software that can bypass security protocols. Additionally, targeted ransomware attacks are on the rise, particularly in the telecoms and technology sectors.

European cybersecurity is undergoing a paradigm shift

The cybersecurity landscape in Europe is undergoing a significant transformation, with several key factors at play, with the ongoing war against Ukraine remaining as a significant factor. The ongoing conflict in Ukraine has led to a surge in hacktivism from various groups on both sides, while 2023 witnessed an unprecedented increase in ransomware incidents that show no signs of slowing down.

Recognizing the urgency of the situation, the European Union (EU) acknowledges the need for member states to enhance their cybersecurity preparedness and invest in the growth of the European cybersecurity ecosystem. As geopolitical dynamics evolve, we can anticipate a broader spread of cybersecurity awareness and increased risk perception across Europe.

The EU is actively taking steps to strengthen cybersecurity through initiatives like the EU Cyber Resilience Act and the NIS2 Directive, which will impact all cybersecurity product vendors, including Clavister.

At the grassroots level, organizations are becoming more aware of the crucial need for comprehensive cybersecurity measures, moving beyond mere compliance checkboxes.

Market

In Clavister's 2023 annual market survey, nearly 90% of respondents indicated that they are either upgrading their cybersecurity infrastructure or planning to do so. This trend holds consistently across European countries and signifies a lasting paradigm shift.

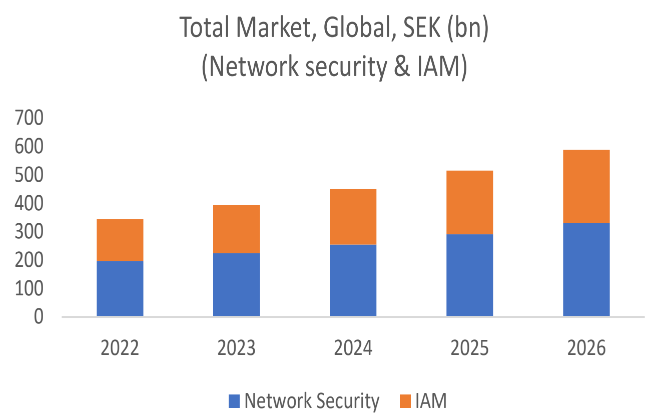
Clavister conducts this market survey to gain profound insights into Europe's cybersecurity landscape, its preparedness for supporting hybrid work environments, and the evolving technology needs in the aftermath of the Russian-Ukraine conflict. This invaluable information guides us in making well-informed decisions regarding product investments and refining our marketing messaging.

Clavister in the cybersecurity market

Clavister primarily focuses on network security and Identity and Access Management (IAM), which are increasingly integrated through a Zero Trust-based security approach. This integration provides Clavister with a unique opportunity to consolidate its product portfolio and offer an integrated solution.

Both network security and IAM are mature security categories, and in 2023, they experienced healthy growth of 13% and 16%, respectively, driven by market forces related to Zero Trust, remote work, and hybrid work. In the short term, Gartner predicts that this growth will continue.

The traditional approach to cybersecurity used to rely on systems that trust users and devices connected via VPN. The concept of Zero Trust has transformed this into "Trust no one - verify everything," significantly altering how identities are managed, networks are segmented, and access is controlled. Clavister is developing the Zero Trust concept to simplify network security by introducing a range of features that enable customers to implement Zero Trust.



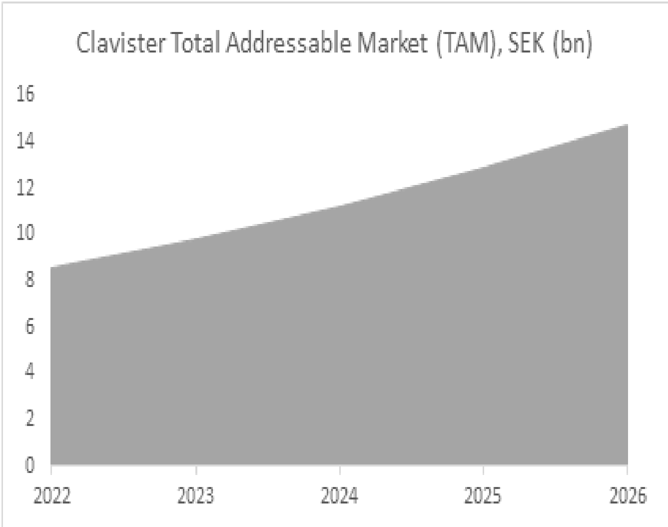
Figur 03: Market Sizing for Network Security and IAM (source: Gartner)

In 2023, we launched "Clavister Cloud Services," a cloud-based firewall management solution that offers flexibility, scalability, and ease of management. Clavister Cloud Services provides unified and centralized security management for all Clavister products, generating strong interest from our customers.

To further enhance our product offering, in 2023, we introduced the high-performance Netshield 9000 series, delivering firewall throughput of up to 800 Gbps. This product is ideal for data centers and managed service providers. Clavister now offers a wide range of NetWall and NetShield products for customers, available on-site, virtually, in containers, and relevant to businesses of all sizes, including small and medium-sized enterprises, large corporations, data centers, telecommunications networks, and managed service providers.

AI is another critical area of development for Clavister. We continuously seek opportunities to complement our existing product portfolio with the power of AI. Clavister's AI engine, PASAD, is set to be introduced in NetWall, providing customers with enhanced monitoring capabilities, especially for machine-to-machine communication. PASAD is an algorithmic model designed for specific purposes, featuring a straightforward implementation. PASAD was launched in October 2023 during Clavister's annual Partner Days, and exciting AI developments are part of our product development plan for 2024.

While Clavister is well-established in the Swedish and Nordic markets, there is further potential for expansion across Europe, particularly in Germany, France, and the BeNeLux region. Competition is fierce, but with the right focus, approach, and solutions, we have the opportunity to grow.



Region – Europe, industry sectors – defence, telecommunications, energy utilities, public sector and SMBs.

Market

Key target markets

Clavister maintains its focus on safeguarding European critical infrastructure (CNI) and serving small and medium-sized business (SMB) customers. The following sectors are Clavister's key sectors:

Telecommunications-/Communication Service Providers (CSPs)

Telecommunications infrastructure is a vital component of any nation's critical infrastructure. As the landscape evolves, it becomes increasingly imperative to protect these networks against a constantly evolving array of cyber threats. Clavister's product, NetShield, plays a pivotal role in safeguarding Communication Service Providers (CSPs) and large data centers.

Designed for virtual environments, NetShield offers scalable solutions and excels in supporting hybrid network models. Its importance is underscored by the global transition to 5G technology, which is crucial for emerging applications such as IoT, augmented virtual reality, smart cities, and autonomous vehicles. Clavister's NetShield underwent rigorous testing at Intel Labs in 2023, demonstrating exceptional performance in both virtualized and containerized forms. This ensures that Clavister's customers have the flexibility to deploy NetShield in various configurations while maintaining high levels of performance and security.

Defence

The defence landscape in Europe has undergone a profound shift in the wake of Russia's invasion of Ukraine. This geopolitical event has had far-reaching consequences, including a substantial increase in defence budgets across European nations. Furthermore, the development of Sweden's application of joining NATO has continued during 2023. In this evolving environment, the digital transformation of defence forces has reached a critical juncture where cybersecurity has emerged as a paramount concern and potential competitive advantage. Clavister has capitalized on this by establishing a strong and niche presence within the security military platforms sector. This field is highly specialized, setting it apart from the broader commercial market. One of Clavister's standout achievements in the defence sector is the success of its flagship product, Cyber Armour. This solution has not only gained recognition but has also built substantial brand equity in the European defence and cybersecurity domains.

New partnerships – Clavister has forged strategic partnerships to further its impact in the defence sector. Collaborations with General Dynamics European Land Systems (GDELS) and MilRem Robotics have been instrumental in enhancing cybersecurity for military vehicles, including the development of a cyber-secure digital vehicle architecture.

Largest ever contract win with an existing customer – Clavister's commitment to innovation and its strong partnership with strategic ally BAE Systems Hägglunds resulted in winning the largest-ever contract valued at SEK 170 million. Through the contract, Clavister will supply cybersecurity for BAE System's CV90 platform to two European end-customers. This contract reinforces the trust and technology innovation demonstrated by Clavister.

Market

EU government/public sector

Clavister has earned the trust of national, regional, and local government customers, delivering high availability solutions for various government services. In this sector, both network security and Identity and Access Management (IAM) solutions play a significant role, and Clavister has invested heavily in their development and specialization.

A significant achievement has been the complete refresh of the appliances used in these solutions, which began in 2021 and continued in 2022. The latest addition is Clavister's Cloud Services, leveraging the company's domain expertise and intellectual properties to simplify the delivery of security use-cases in a hybrid cloud environment.

Small and Medium-sized businesses (SMBs)

While small and medium-sized businesses (SMBs) may not be immune to cyber threats, they often face budget constraints and a lack of in-house security resources. Clavister aims to level the playing field by helping SMBs protect their critical businesses effectively. The company achieves this goal by partnering with specialized Managed Service Providers (MSPs) and channel partners who offer end-to-end security solutions and a single pane-of-glass for SMB customers.

Energy Utilities

The European energy utilities sector is navigating a complex landscape of cybersecurity trends and challenges. These challenges are driven by the increasing digitization and interconnectivity of IT (Information Technology) and OT (Operational Technology) systems. As Europe moves toward more sustainable and intelligent energy solutions, such as smart grids and renewable energy sources, the integration of these advanced technologies introduces heightened vulnerability to cyberattacks.

Recent reports have highlighted concerns regarding Russian surveillance of the energy infrastructure in the Nordic region. The cross-border nature of energy networks in Europe further complicates the security landscape, necessitating a coordinated approach to cybersecurity across nations.

Energy utilities have traditionally been a strong sector for Clavister, especially in countries like Sweden and Germany, where the company has worked with prominent names like E.ON. Clavister offers unique solutions that secure the perimeter around ICS (Industrial Control Systems) and SCADA (Supervisory Control and Data Acquisition) systems, providing comprehensive coverage across IT, OT, and IoT devices.

Furthermore, the NIS2 Directive is set to impose stricter cybersecurity risk assessment, management, incident response, and incident reporting obligations on energy companies. This regulatory development presents a significant opportunity for Clavister. The company's PASAD offering, as a stand-alone AI library, offers integration potential with broader cybersecurity and monitoring products, making it an attractive proposition for energy utility providers.

Report of the Board of Directors

The Board of Directors and the CEO of Clavister Holding AB (556917-6612) hereby submit the annual report and the consolidated financial statements for fiscal year 2023. The company has its head office in Örnsköldsvik. Unless stated otherwise, all amounts are reported in SEK thousands. Figures in brackets refer to the previous year.

This is Clavister

The Clavister Group, listed on Nasdaq First North in 2014, consists of the parent company Clavister Holding AB and 4 subsidiaries that develop, produce, and sell cybersecurity solutions.

Vision:

"An all-communicating world, based on trust and security."

Mission Statement:

"Clavister brings carrier-grade cybersecurity solutions, made in EU, for mission-critical applications."

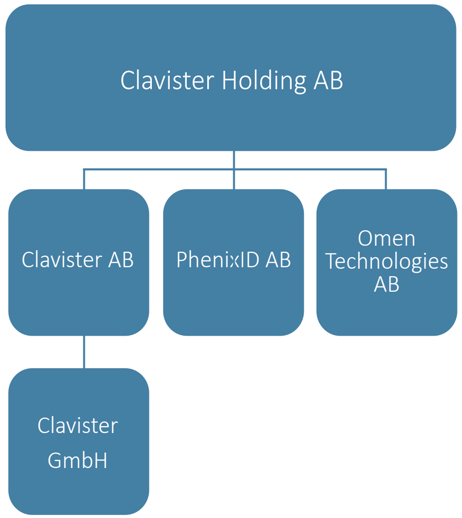
Within the group, software development, product development, and the sale of cybersecurity solutions occur, both as physical products and for virtual environments. The products are characterized by innovation, high quality, and performance across a broad product range. Specialized technical services in support, consulting, and training are offered as a complement to the physical and virtual security solutions.

Sales primarily occur under its own brands, Clavister and PhenixID, but also through OEM, meaning the software is added to the customer's own product concept.

The parent company Clavister Holding AB owns 100% of the subsidiaries Clavister AB, PhenixID AB, and Omen Technologies AB. The German subsidiary, Clavister GmbH, is owned 100% by Clavister AB. The majority of the group's business is conducted in Clavister AB and PhenixID AB. In the German company, Clavister GmbH, marketing actions and sales are conducted within the DACH region. In Omen Technologies, software development within the field of Artificial Intelligence (AI) takes place.

At the headquarters in Örnsköldsvik and the office in Stockholm, product and software development, maintenance, product management, consulting services, customer training, product procurement, logistics and warehousing, customer support, marketing, finance, and other administration are conducted. Sales are also primarily conducted at the offices in Örnsköldsvik and Stockholm, along with the German company.

The subsidiary PhenixID AB has an office in Södermalm, Stockholm, and consists of sales, software development, and consulting



Clavisterkoncernen:

Clavisterkoncernen med moderbolaget Clavister Holding AB och 100% ägda dotterbolag.

services. PhenixID AB is a significant player in cybersecurity solutions and an important complement to Clavister's offerings in the IAM (Identity & Access Management) area. In addition to expertise in the areas of IAM and 2FA (Two-Factor Authentication), PhenixID complements the group with good customer references and a stable customer base.

The subsidiary Omen Technologies AB contributes with knowledge in the field of Artificial Intelligence (AI) and intellectual property (IP rights) within the AI field. The subsidiary continues to develop intellectual property within AI technology.

Significant events during the year

At the beginning of the second quarter of 2023, Clavister and Arrow Electronics presented a new agreement that makes Arrow the exclusive distributor of Clavister's products in the Swedish market. Both companies have committed to offering a wide range of security solutions to their reseller partners and customers. The agreement commenced on July 1, 2023.

General Dynamics European Land Systems (GDELS) and Clavister introduced a new cyber-secure digital vehicle architecture at FEINDEF 2023. With the new technology partnership with Clavister, GDELS has further enhanced the digital vehicle architecture for its military mobility solutions with advanced cybersecurity technology, which includes artificial intelligence.

This innovation will make GDELS vehicles superior on the battlefield in terms of situational awareness, mobility, firepower, and protection. Clavister's cybersecurity solution protects and defends against both known and unknown cyber threats, improving the survivability of GDELS vehicles and enabling them to remain operational by all means.

At the end of June 2023, Clavister signed an extension agreement with International Workplace Group (IWG), where the value of the agreement amounts to 23 MSEK.

At the end of the second quarter, Clavister's chairman of the board, Jan Frykhammar, announced his resignation at his own request. The decision was made for personal reasons. Clavister Holding AB immediately initiated the process of finding a replacement for Jan Frykhammar.

Report of the Board of Directors

In August 2023, Clavister won an upgrade contract that secures the British 3's mobile network. The new agreement with Nokia for the mobile operator 3 in the United Kingdom (3UK) marks Clavister's largest 5G security implementation to date.

During DSEI in London, Milrem Robotics and Clavister signed a comprehensive cooperation agreement regarding AI-based cybersecurity in unmanned military vehicles.

At the extraordinary general meeting held on 25 September 2023, Andreas Hedskog was elected as a new board member and chairman of the board. Furthermore, it was decided that the board remuneration, for the period until the next annual meeting, for the chairman of the board, shall be paid in the amount decided at the annual meeting pro rata in relation to the time the chairman serves on the board.

Clavister published a new report on European cybersecurity in 2023 that identified several challenges. The primary challenge for European organizations is to be able to strengthen and upgrade their security as a consequence of the war between Russia and Ukraine. The report also points out that there are knowledge gaps regarding cybersecurity and that the European NIS2 Directive still has a long way to go before it is fulfilled.

Clavister and PandionAI announced the launch of their joint project S.E.C.U.R.E (Space Edge Computing with Unassailable and Robust Enforcement), which is funded by the National Space Agency. The S.E.C.U.R.E project is expected to promote cybersecurity in space, protect satellite infrastructure, data integrity, and availability while preparing for emerging cyber threats. The interdisciplinary approach is unique and promotes cooperation between stakeholders in the space industry, cybersecurity experts, and AI engineers.

The project is divided into two phases. During the first phase, the threat landscape around space technology will be assessed to inform the development of security practices and mechanisms. The second phase involves creating a test model of AlertSat to enable its continued development with the aim of ensuring both resilience and performance.

In November 2023, Clavister and Sitemax announced that they have signed a cooperation agreement. The agreement means that Clavister becomes a strategic supplier of cybersecurity solutions to Sitemax. Sitemax will benefit from NetShield, Clavister's high-performance firewall solution for mobile networks, to protect network infrastructure and meet the challenges of the ever-evolving threat environment and increasingly sophisticated attacks on telecom networks.

Clavister AB and the European Investment Bank renegotiated the repayment schedule for the loan Clavister AB has from the European Investment Bank, which now aligns much better with Clavister AB's growth and cash flow profile. According to the new repayment plan, the loan will be amortized over the period from 2024 to 2028 – which means an extension of time by 24 months compared to the previous plan.

The new repayment plan further entails that the majority of the repayments occur towards the end of the repayment period with significantly more limited amortizations during the years 2024 and 2025. During these two years, a total of approximately 2.2 million euros will be amortized compared to 15 million euros according to previous terms.

The interest conditions remain unchanged as well as the absence of covenants. The EIB receives a parent company guarantee from Clavister Holding AB, and a pledge in the shares of the subsidiary PhenixID AB.

In December 2023, Clavister decided to carry out a rights issue for existing shareholders of units amounting to approximately 142 MSEK after deduction of costs attributable to the rights issue.

The rights issue is conditional upon approval at the extraordinary general meeting scheduled to be held on January 9, 2024.

Each unit consists of twelve (12) newly issued shares in the Company and three (3) subscription options of series TO8 and three (3) subscription options of series TO9. The subscription price in the Rights Issue has been set at 12 SEK per unit, equivalent to 1 SEK per new share (the subscription options are issued free of charge). Upon full subscription in the Rights Issue and full utilization of the subscription options of series TO8 and series TO9, the Company will be provided with up to approximately 288 MSEK. As part of the Rights Issue, the Company has obtained a bridge financing of approximately 20 MSEK ("The Bridge Financing"). The Company has received subscription commitments and guarantee commitments of approximately 120 MSEK, corresponding to approximately 70.8 percent of the Rights Issue. The purpose of the Rights Issue is to (i) strengthen working capital to enable continued growth and (ii) optimize the capital structure with the aim of settling parts of the Company's current debt.

Report of the Board of Directors

Clavister won a contract worth 170 million SEK from BAE Systems Hägglunds to deliver Clavister's Cyber Armour solution to the CV90 platform, for two European end customers.

The new contract, which was pre-announced on September 15, 2023, as ongoing nego-tiations, involves BAE Systems Hägglunds acquiring Clavister Cyber Armour, an integrated cybersecurity system, for the CV90 platform to be used by two European end customers. The value of the contract is 170 million SEK and will be delivered over five years after initial pro-totype and pre-series deliveries, which occur during 2024.

BAE Systems Hägglunds, part of BAE Systems - Europe's largest and the world's third-largest defense group - develops and produces the CV90, a family of combat vehicles ("Infantry Fighting Vehicles") that are ranked as the most successful combat vehicles in Europe and have recently enjoyed significant business success. The latest version of the CV90 is a highly digitalized platform where advanced cyber protection is a key capability to protect the vehicle and its crew from sophisticated cyber attacks and ensure continuous operation on the battlefield.

The new contract between Clavister and BAE Systems Hägglunds includes the development of an extended and upgraded product, series deliveries of that product, and consultancy services to support BAE Systems Hägglunds with design, integration, and validation of the solution.

The upgraded product is a powerful de-fense-adapted security gateway product, designed to be an integrated part of the electronics and communication architecture in digitalized defense platforms. Compared to previous products in the product family, the new product offers more connectivity options, better field serviceability, and a better performance-to-cost ratio. The development of the new product has recently begun and will be ready for delivery in 2024. Series deliveries of the product will start in 2025 and continue for five years.

Events after the reporting period

The rights issue announced in December 2023 was approved at the extraordinary general meeting held on January 9. The rights issue was subscribed to 100% and raised 142 MSEK after deduction of costs attributable to the rights issue.

In February, the European Investment Bank (EIB) and Clavister AB signed the updated repayment plan announced at the end of 2023. The repayment plan spans the period 2024-2028, where previously full repayment was to be made by 2026. This provides an updated repayment schedule as follows, with continued unchanged conditions regarding interest rates. The accrued interest related to the loans will be repaid in the fourth quarter of 2028.

The amortization schedule according to the new agreement:

In 2024, 0.25 MEUR is amortized in the first quarter and 0.8 MEUR in the fourth quarter.

In 2025, 0.375 MEUR is amortized in the first quarter and 0.8 MEUR in the fourth quarter.

In 2026, 1.125 MEUR is amortized in the first quarter and 3.0 MEUR in the fourth quarter.

In 2027, 3.5 MEUR is amortized in the first quarter and 2.9 MEUR in the fourth quarter.

In 2028, 3.625 MEUR is amortized in the first quarter and 3.126 MEUR in the fourth quarter.

Report of the Board of Directors

Clavister has received a deferral of payment of taxes related to VAT and employer contributions in accordance with available covid-19 support, totalling SEK 76.5 million. During the end of 2023 and the beginning of 2024, the Swedish Tax Agency has approved instalment plans for 36 months for 55.3 MSEK, and the application for an instalment plan for the remaining 21.2 MSEK will be made during the second half of 2024.

Risks and uncertainties

Risks are inherent in the operations conducted. Clavister continuously works on identifying, assessing, evaluating and preventing risks that the business may be exposed to. Risks that may affect and could impact Clavister's sales, results and financial position in a negative manner if they occur. Below is a description of the risks that the Board considers significant to the business.

Operational and strategic risk

Clavister currently has its highest revenue associated with medium-sized companies and a few larger, well-established customers. The dependence on theser lareger customers not only affects the Group's turnover but also significantly influences strategic decisions and product development plans. Clavster competes agains large, multinational actors, which entails a risk the the customer may prefer a well-known and dominatn supplier rather than a small one.

The Group develops software where there is a risk of underestimating the development time for programming and testing, which could result in porjekct delays and customers choosing a competitor instead.

Developed software can also contain bugs that have not been identified during the testing phase and which can distrupt the customer's operations or potentially cause distruptions and delays that may lead to the termination of the collaboration.

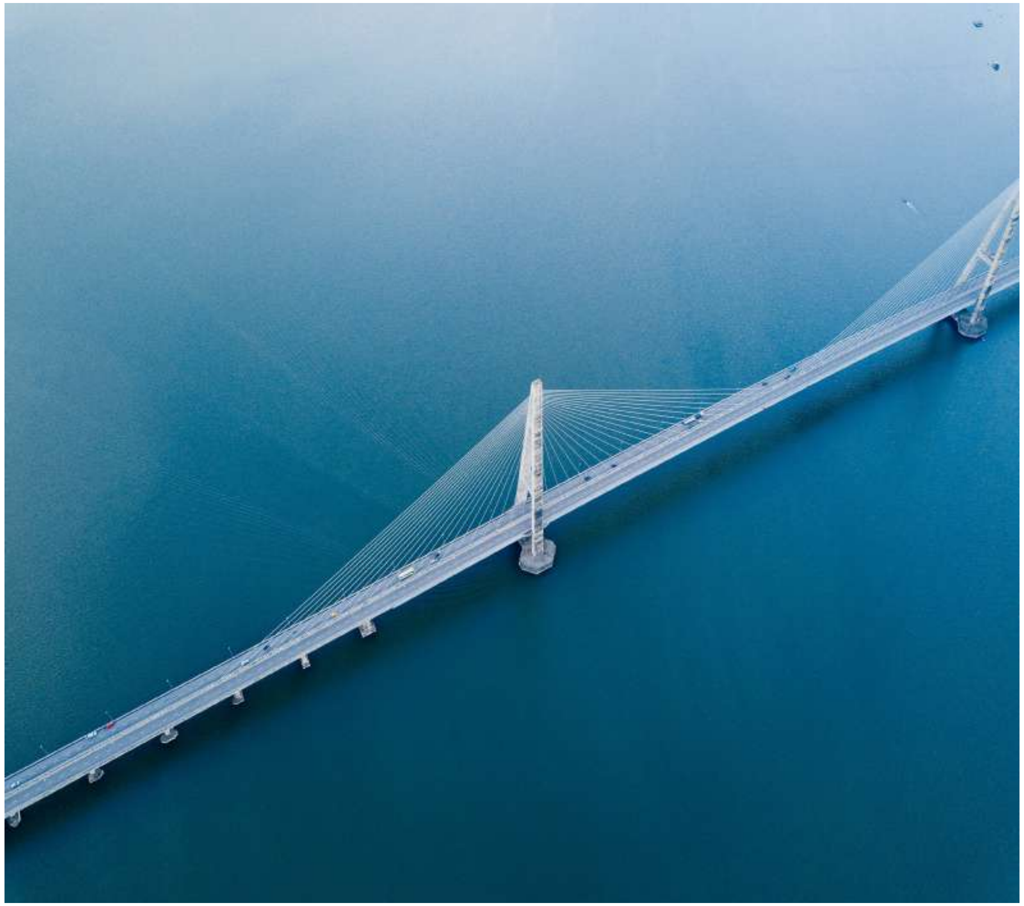
Customer support with 24/7 availability has limited resources in case the reported issues were to significantly increase in both quantity and complexity in a short period of time. This could potentially result in customers not renewing their existing support and licensing agreements.

If the group's hardware supplier is unable to deliver the agreed-upon volumes according to schedule, it could lead to delays that could affect deliveries to customers, which could result in lower revenues, earnings and have a negative effect on the financial position. In the eyes of hardware suppliers, Clavister is a relatively small customer where established product plans and improvement projects may be deprioritized in favour of bigger players, which may have a negative effect on product quality and delivery times. The group's product responsibility may also be negatively affected due to faltering quality, which in turn can lead to extensive internal management, but also higher guarantee requirements from the customers.

The business can be greatly influenced by key personnel leaving the group. Competition is fierce to recruit programming, testing and development staff, which means that Clavister may struggle to recruit competent personnel. Personnel cost also rise when demand is high. Decision makers can handle a single issue in such a manner which may, in hindsight, be concluded as having had a negative impact on the company's financial position, especially when the company is in a state of rapid transformation, like Clavister.

At present, the group's intangible assets are largely unprotected by patents. There is consequently a risk that Clavister utilizes technology which may encroach on other companies' intellectual property rights, which may result in threats of or actual damage claims. The group may also incorrectly be accused of encroaching on other companies' patents and therefore become involved in costly patent litigations. Any patent litigation may in turn cause uncertainty or harm Clavister's competitiveness.

The clients' willingness to buy is not only affected by the current economy and



Report of the Board of Directors

established IT budgets, but also by the driving forces of the market. In a deteriorated economy, things are reprioritized and reconsidered, which can result in network security investments being put on hold, despite the subject being highly current and the growth and market forces being very strong. Regarding agreements made between the group and different parties active in an international or national market, there is always the risk that the agreements lack sufficient coverage, despite legal expertise and internally dedicated resources.

Financial risk

The majority of sales take place in SEK, EUR and USD and are governed by contracts in which SEK predominates, followed by EUR. Product payments are regulated in USD. Currency fluctuations, applicable to both supplier payments and customer payments, can create exchange rate losses and affect the company's financial position. Currency risk also applies to interest bearing loans in EUR.

Currency hedging is done by offsetting in and outgoing payments in equal currency. When it comes to the overall distribution between various currencies, salse in SEKD during 2023 accounted for around 53 % of the Group's sales, followed by EUR 40 % and USD 7 %. Operating expenses are dominated by SEK at 73 %, with the remained split between EUR 16 % and USD 11 %.

Interest-rate risks are associated with the group's financing through the convertible loan maturing on 05/31/2027, financing via the loans from the EIB as well as factoring where the interest rates are dictated by the markets using the different currencies.

The time between product delivery and customer payment entails risks. Clients might delay the payment or file for bankruptcy. Since 2014, the group uses factoring without insolvency rescission for customer invoices, which entails a credit risk. All invoices are managed and transferred if they have been credit approved by the factoring company. Approved customers (customer invoices) are credit insured and the customer invoices sold to the factoring company. Through the factoring agreement, the group has a credit insurance which indemnifies the company up to 90% in case of a customer bankruptcy. The group may also be affected adversely by suppliers who require prepayment but fails to fulfil its commitments regarding delivery times or the failure to deliver the products entirely.

Quality efforts

Clavister's efforts are based on the concept that increased quality through a sustainable conduct and continuous operational improvements intended to better meet the customer's needs. The quality of our products and services is a key factor to success in an age of increased digitalization and global competition. Deviations from the established process are documented, timed, rectified and followed-up on. Audits are carried out internally and by an external actor, DNV GL (Den Norske Veritas), which approves the renewal of the certification in accordance with the quality management system ISO 9001. Audits are also carried out at the request of major customers who wish to ensure product quality at their supplier level. Improvements to the management system are made constantly to comply with the ISO 9001:2015 requirements.

Environmental and sustainability work

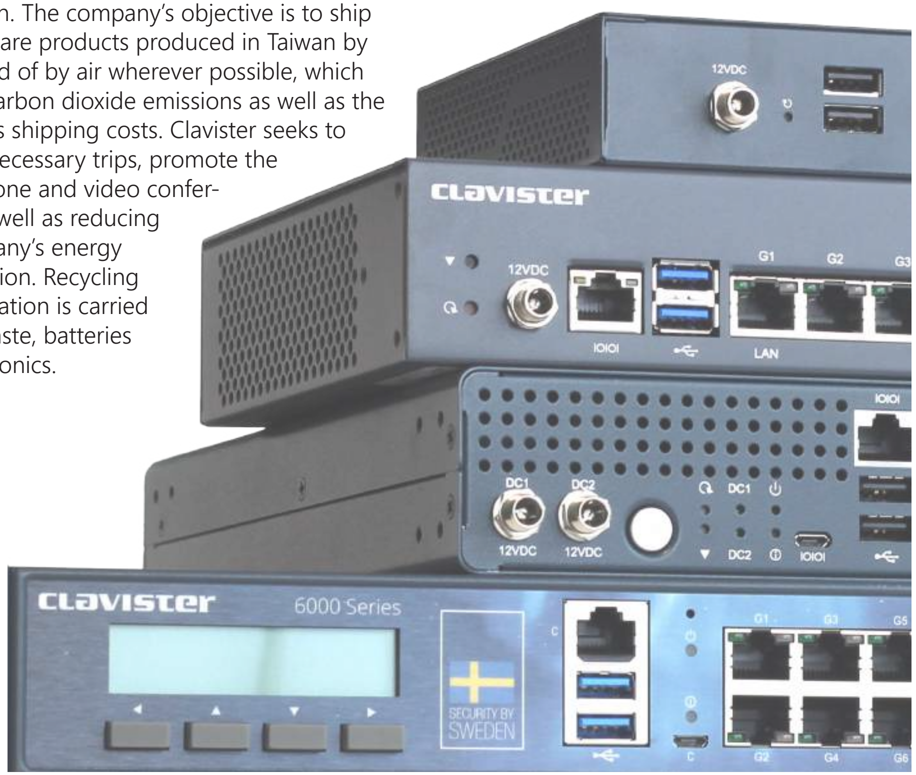
Clavister handles environmental and sustainability issues from the perspectives of business ethics, social responsibility, environment and economics.

The Companys direct and indirect environmental impact

A large part of the company's products consist of software and licenses. As for hardware production, Clavister strives to avoid potentially harmful substances in its products and production. The company's objective is to ship the hardware products produced in Taiwan by sea instead of by air wherever possible, which reduces carbon dioxide emissions as well as the company's shipping costs. Clavister seeks to avoid unnecessary trips, promote the use of phone and video conferences, as well as reducing the company's energy consumption. Recycling and separation is carried out for waste, batteries and electronics.

Businesss etichal aspects and long-term customer relationsships

Legal requirements and business ethical guidelines covers areas such as zero tolerance for bribes or corruption, code of conduct and the handling of sensitive company information. Recognition and compliance with the code of conduct, communication policy (and the insider policy MAR - EU Market Abuse Regulation 596/2014/EU aims to ensure the integrity of financial markets and improve investor protection and confidence in the markets) is



Report of the Board of Directors

done through the consent of all employees. The issues above are also highlighted in connection to recruitment and the introduction for new employees.

Customer satisfaction surveys are carried out year-by-year and for customer support, the result is well above the targets set.

An attractive and sustainable workplace

Clavister aims to be both an attractive place to work and a healthy, open, and safe working environment (both physically and mentally) for its employees. The work environment should be characterized by a reasonable balance between demands and challenges. Clavister encourages employees to maintain or develop good health and counteract trends that may lead to a work environment where stress-related illnesses or long-term sick leaves develop. The company will ensure that no employee is discriminated against. The company's training of managers and senior officials in leadership and work environment issues, of both a physical and psychosocial nature, emphasizes the importance of managers for good work environment practices where everyone should feel included. By creating a secure environment together where everyone feels included, the company puts innovation in the spotlight. Clavister's employer brand; how we attract, retain, and engage staff, ultimately concerns the work done internally to improve the employee experience, and it is a lifelong commitment. Clavister is proud not only to be a pioneer in new technology within the field of cybersecurity but also to develop strong corporate culture initiatives.

Clavister has continued its efforts to develop our leaders to promote a work environment where our employees can be the best version of themselves. Clavister depends on motivated, committed, and results-oriented employees. Talent and competence are therefore crucial for Clavister's success, and the company continuously works to create the best conditions for employees to achieve their ambitions and their full potential while also maintaining good health, all in harmony with the company's business needs. At Clavister, everyone is co-responsible for their own development. All employees should have an individual development plan where the plans are a combination of concrete business needs and the individual's own ambitions.

In Clavister's two subsidiaries, Clavister AB and PhenixID, we have prioritized different development areas based on the temperature in each company. The companies follow the real-time temperature of employee satisfaction, which provides a greater understanding and insight for leaders to act on and proactively initiate changes when needed.

Clavister AB

In 2023, the temperature at Clavister AB continued to rise, which we see as a result of a solid and systematic approach. We can also see that the response rate continues to increase (88%), which shows that employees see value and want to contribute.

The focus for leaders in 2023 has been on the importance of psychological safety and their role in creating space for innovation. We could also see from 2022 that managing stress was a crucial factor for the well-being of employees. Therefore, we launched 2023 as a health year where we organized 2 step competitions, a new health app, increased the wellness allowance, and introduced bike leasing as a benefit. Clavister AB continues to build a strong culture through the values: Being "small enough to care, brave enough to change, smart enough to innovate – together we are different".

PhenixID

The mission for 2023 was to create PhenixID 2.0. We conducted 14 recruitments to replace the majority of the company that chose to leave in 2022. Together, we have built a strong team and established a common set of values, vision, and mission during 2023. The new set of values symbolizes PhenixID's journey with the word "GRIT – the art of never giving up". The word GRIT also represents "Community, Fun, Innovation, and Tiffany (the end customer). Employee satisfaction increased from the beginning of the year (6.8) to the end of the year (7.6).

Employees

The number of employees as of 12/31/2023 totaled 109 (108) The proportion of women remained stable, and as of 12-31-2023 totaled 19 employees (19). In addition to permanent staff, Clavister also engages consultants in e.g. customer projects, sales and development, equivalent to 12 (21) full-time positions. The number of employees, including consultants employed bu the Group on December 31, 2023 totaled 114 (129).

Report of the Board of Directors

Clavister's success is dependent on motivated, committed and result-oriented employees. Talents and skills are therefore crucial to Clavister's success, and here the company wishes to create the conditions needed for the employee to achieve their ambitions and full potential, but also maintain a good health, all attuned to the company's business needs. At Clavister, everyone shares the responsibility for their own development. All employees are to have an individual development plan comprising a combination of concrete business needs and the individual's own ambitions.

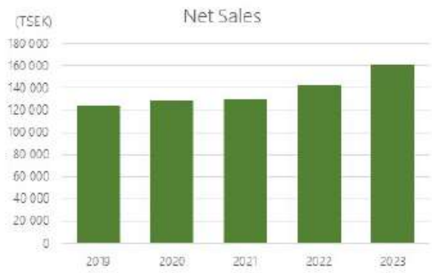
The Board's methodology

The board of directors of Clavister Holding AB consisted of three members during the period from January 1, 2023, to June 30, 2023, and from September 25, 2023, to December 31, 2023. However, during the period between July 1, 2023, and September 24, 2023, the board had only two members due to the immediate resignation of the chairman for personal reasons. According to Clavister's articles of association, the board should consist of a minimum of three (3) and a maximum of eight (8) members. After the chairman left the board, it had two (2) members, which did not comply with the requirements of the articles of association and the requirements for the number of board members according to the Swedish Companies Act for public limited companies. This situation persisted until the extraordinary general meeting held on September 25, 2023, when a new board member and chairman were elected.

Within the framework of the board meetings taking place at Clavister Holding AB, all companies included in the group are managed. Business activities are largely conducted within the framework for Clavister AB and PhenixID AB. The Board of Directors has the overall responsibility for the company's organization and management. The Board has established a working procedure which regulates the division of labor between the Board, the chairman and the CEO. The Board's tasks include the evaluation and establishment of strategies, business plans, budget and financing, major operational changes, as well as appointing and relieving the CEO. The Board also adopts the quarterly reports, the financial statement announcement and the annual report. The chair is responsible for continually monitoring the company and ensuring that all board members are given the information necessary to assess and evaluate the company. The chair is to consult the CEO regarding strategy, lead the board meetings and ensure that board matters are not processed in violation of the regulations of the Swedish Companies Act, the articles of incorporation and the directions established by the Board. Every year, the Board establishes directions for the CEO with guidelines for the ongoing administration, reporting and funds management, as well as the internal steering of the company. The directions also includes the CEO's authorities and information obligations to the Board. In 2023, the Board held 17 minuted meetings.

Order intake, Net sales and Earnings

Order intake for full-year 2023 incresed 138,2 % to 324,6 (136,6) MSEK compared to 2022. The increase is explained by the received defence orders, concerning delivery of cybersecurity to CV90 for two European end customers, from BAE Systems Hägglunds amounting to



approximately 170 MSEK. During the year, the company continued deliveries from the order book, as well as increased the value of the order book, ending the year with an order book value of 234,2 (74,2) MSEK, an increase of 215,6 % compared to 2022.

The Group's net sales for the year totaled 160,6 (142,7) MSEK and total revenue was 165,0 (149,4) MSEK. The Group's target markets are the geographical markets in the Nordics and DACH region (Germany, Austria and Switzerland) and key glovbal customers.

The Group's gross result totaled 133,1 (121,7) MSEK. The total reported gross maring for the year was 80,6 (81,4) %. The difference in gross margin between the years is because the margin in the new business model for the delivery of new hardware is lower, resulting in a negative impact on the gross margin at the start of a new contract. During the remainder of the contract period, the margin is higher as pricing for the software component has increased. As of January 1, 2024, pricing as been adjusted to offset the increased inflation. The margin change is also explainded by the variations in product mix.

The year was charged with items affecting comparability in the amount of 3.3 MSEK. The previous year was charged with items affecting comparability totaling 5,1 MSEK whereof 5,1 MSEK was related to reorganization.

The Group's operating income totaled MSEK -30,7 (-51.4).

Report of the Board of Directors

Financing

At the end of 2023, the board of directors of Clavister decided to carry out a rights issue of units for existing shareholders in the company, amounting to approximately 142 million SEK after deduction of expenses related to the rights issue.

The rights issue was approved at the extraordinary general meeting on January 9, 2024.

Each unit consists of twelve (12) newly issued shares in the company and three (3) series TO8 warrants and three (3) series TO9 warrants. With full subscription of the rights issue and full utilization of the TO8 and TO9 warrants, the company will receive approximately 288 million SEK.

As part of the rights issue, the company received bridge financing of approximately 20 million SEK in December 2023.

The purpose of the rights issue is (i) to strengthen the working capital to enable continued growth and (ii) to optimize the capital structure in order to reduce some of the company's current indebtedness.

Since 2022, Clavister has had a 5-year convertible debenture with Norrlandsfonden amounting to 10 million SEK. The convertible matures on May 31, 2027, with a conversion price of 5.61 SEK.

As of December 31, 2023, in addition to the aforementioned convertible debenture, Clavister also has loan financing from the European Investment Bank (EIB) in the form of three tranches totaling 10 million EUR, 5 million EUR, and 5 million EUR. In 2023, with a final agreement signed at the beginning of 2024, the repayment schedule for all tranches was renegotiated. In 2023, 0.5 million EUR was repaid. With the new repayment schedule, it will extend until 2028, previously 2026. The accrued interest related to the loans will be repaid in the fourth quarter of 2028.

The amortization schedule according to the new agreement is as follows:

In 2024, 0.25 million EUR will be amortized in the first quarter and 0.8 million EUR in the fourth quarter.

In 2025, 0.375 million EUR will be amortized in the first quarter and 0.8 million EUR in the fourth quarter.

In 2026, 1.125 million EUR will be amortized in the first quarter and 3.0 million EUR in the fourth quarter.

In 2027, 3.5 million EUR will be amortized in the first quarter and 2.9 million EUR in the fourth quarter.

In 2028, 3.625 million EUR will be amortized in the first quarter and 3.126 million EUR in the fourth quarter.

During the year 2023, Clavister has taken advantage of the opportunity to defer tax payments related to personnel and VAT, which has strengthened the cash flow by approximately MSEK 15 during the year. Deferred tax payments from previous periods amount to MSEK 61.5.

In 2023 and 2024, Clavister has been granted 36-month installment plans for parts of the deferred tax payments, totaling MSEK 55.3. In the third quarter of 2024, Clavister will be able to apply for a 36-month installment plan for an additional MSEK 21.2.

Going Concern

In the fall of 2023, Clavister assessed that as of December 31, 2023, there would be a real risk of continued operations given how the liquidity situation developed during the second half of 2023. To ensure that the assumption of continued operations existed for the company, the board of Clavister decided on December 6th to conduct a rights issue, which was approved by the extraordinary general meeting on January 9th, 2024. The rights issue raised MSEK 170, and with this, Clavister has secured the assumption of continued operations.

Financial position

The Group's total assets increased with 2.8 % compared with the previous year and totaled 299.4 (291.2) MSEK.

Fixed assets increased with 6.9 % compared with the previous period and totaled 195.3 (182.7) MSEK. The increase is explained by increased Right of Use assets with 14.3 MSEK, mainly relating to rental agrements for premises as weill as program rights and licenses decreased by 2.0 MSEK.

Curent assets decreased by 4.1 % to 104.0 (108.5) MSEK, whereof cash and cash equivalents at the end of the periode totaled 38.7 (42.4) MSEK.

The Group's equity at year end was -228.9 (-163.5) MSEK. The loss of the periode reduced equity by -65.4 (-112.8) MSEK. Equity decreased with 0 (3.0) MSEK related to equity interest in the convertible loan and renumeration-free warrants.

Investments, amortizations and development expenses

During 2023, the Group continued to invest large amounts in product development and it capitalized time spent. Total expenses for the year and prooprietary internal development were capitalized to 41.3 (36.1) MSEK. The 2023 closing value in the balance sheet for development works totaled 94.8 (94.8). The development is attibutable to upgrades and devbelopment of existing products as well as development of Artificial Intelligence (AI).

Amortizations of intangible assets relating to capitalizations totaled 41.4 (34.2) MSEK for the year.

Report of the Board of Directors

Ownership

The number of shareholders totaled 5,332 and the number of registered shares on 12/31/2023 was 56,530,354 according to the Swedish Companies Registration Office. There is only one type of share. Each share represents one vote at the annual general meeting.

Shareholders	Number of shares	% share
Per Anders Bendt	9,300,405	16.5%
Avanza Pension	4,401,178	7.8%
ÖstVäst Capital Management	3,395,536	6.0%
Staffan Dahlström	2,521,589	4.5%
Stena	1,756,462	3.1%
Swedbank Insurance	1,415,340	2.5%
B Sjögren i Halmstad Förvaltnings	1,138,500	2.0%
Tagehus Holdings AB	1,100,000	1.9%
Nordnet Pension Insurance	1,067,959	1.9%
Niclas Upfeldt	913,119	1.6%
Other shareholders	29,520,266	52.2%
Shares registered with the Swedish Companies Registration Office 12/31/2023	56,530,354	100.0%

Shareholdings of Board of Directors and senior executive on December 31, 2023

Board of Directors	Number of shares
Andreas Hedskog	0
Staffan Dahlström	2,521,589
Stina Slottsjö	3,500
	2,525,089

Senior Executives	Number of Shares
John Vestberg*	493,468
David Nordström	50,000
Johan Edlund	36,800
Nils Undén	59,674
	639,942

* Indirect ownership through own company, or endowment insurance.

Multi-year overview

Group	2023	2022	2021	2020	2019
Net sales	160,610	142,703	129,300	128,664	123,061
Net sales growth (%)	13%	10%	0.5%	5%	10%
Gross profit	133,097	121,668	114,849	122,359	99,490
Gross Margin (%)	81%	81%	86%	87%	81%
EBITDA	17,640	-10,372	-20,801	-19,434	-39,031
Earnings before tax	-65,503	-112,521	-91,525	-80,869	-112,505
Balance sheet total	299,361	291,153	291,536	382,883	303,275
Equity ratio (%)	Negative	Negative	Negative	3%	Negative
Average number of employees	108	121	134	132	150
Parent Company					
Net sales	9,004	6,003	6,251	8,906	430
Balance sheet total	487,465	420,459	414,684	610,314	491,981
Equity ratio (%)	14%	27%	45%	75%	65%
Average number of employees	5	6	6	2	2

Proposed appropriation of profits

The following parent company assets (SEK) is at the annual general meeting's disposal

Share premium reserve	0
Accumulated profit or loss	106,710,027
Profit for the year	-41,770,583
	64,939,444

The Board of Directors proposes that the amount of SEK 64,939,444 to be carried forward.

The company's profit/loss and position in general is indicated by the following income statement, balance sheet and cash flow analysis with notes.

Consolidated income statement

SEK in thousands	Note	2023	2022
Net sales	3,4	160,610	142,703
Other operating income	4	4,431	6,703
Operating income		**165,041**	**149,407**
Goods for resales		-31,944	-27,739
Gross profit		**133,097**	**121,668**
Capitalized development work	16	37,804	35,001
Employee benefits expenses	7,8	-106,356	-123,828
Other external expenses	5,6	-44,870	-41,361
Other operating expenses	9	-2,036	-1,851
Amortization and Depreciation	10,11	-48,295	-41,021
Operating profit		**-30,655**	**-51,394**
Financial income	13	430	209
Financial expenses	8,13	-35,278	-61,336
Earnings before tax		**-65,503**	**-112,521**
Tax on the year's earnings	14	154	-309
Profit for the year		**-65,350**	**-112,830**
Profit for the year attributable to:			
Parent company owners		-65,350	-112,830
Non-controlling interest		0	0
Profit per share:	15		
Basic earnings per share		-1.16	-2.00
Diluted earnings per share		-1.16	-2.00

Consolidated comprehensive income for the year

SEK in thousands	Note	2023	2022
Profit for the year		**-65,350**	**-112,830**
Other comprehensive income for the year			
Items which can later be reclassified to the income statement			
Translation difference		3	62
Other comprehensive income for the year, net after tax		**3**	**62**
Total comprehensive income for the year		**-65,347**	**-112,768**
Comprehensive income for the year attributable to:			
Parent company owners		-65,347	-112,768
Non-controlling interest		0	0

Consolidated balance sheet

SEK in thousands	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Goodwill	16	66,697	66,697
Capitalized expenditures for development works	16	94,840	94,826
Program rights / license	16	14,083	16,153
Right-of-use assets	10,17	18,153	3,870
Equipment	17	677	0
Other long-term receivables	18	886	1,140
Total fixed assets		**195,336**	**182,687**
Current assets			
Inventories	1	16,253	13,520
Accounts receivable	18	36,711	36,262
Tax asset		11	0
Other recivables	18	1,239	4,965
Prepaid expenses and accrued income	18,19	11,149	11,307
Cash and cash equivalents	18,20	38,661	42,412
Total current assets		**104,025**	**108,466**
Total assets		**299,361**	**291,153**

SEK in thousands	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	22		
Capital stock		5,653	5,653
Other capital contributions		799,583	799,583
Reserves		121	118
Retained earnings, including profit for the year		-1,034,239	-968,889
Equity attributable to parent company shareholders		-228,882	-163,535
Total equity		**-228,882**	**-163,535**
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	18,23,31	219,358	270,468
Convertible debt instruments	18,31	8,996	8,523
Other liabilities	18,31	4,372	59,316
Leasing liabilities	10,18,31	14,997	179
Deferred tax liabilities	14	285	383
Total non-current liabilities		**248,009**	**338,869**
Current liabilities			
Liabilities to credit institutions	18,23,31	66,576	5,564
Leasing liabilities	10,18,31	3,338	3,830
Accounts payable	18,31	16,725	10,234
Current tax liabilities	14	0	289
Other liabilities	18,31	97,166	9,047
Accrued expenses and prepaid income	18,25,31	96,429	86,855
Total current liabilities		**280,235**	**115,820**
Total liabilities		**528,244**	**454,688**
TOTAL EQUITY AND LIABILITIES		**299,361**	**291,153**

Consolidated statement of changes in equity

SEK in thousands	Equity capital	Other capital contributions	Reserves	Retained earnings, incl. profit for the year	Equity attributable to parent company shareholders	Total equity
Opening equity on January 1, 2022	**5,653**	**796,629**	**56**	**-856,059**	**-53,722**	**-53,722**
Profit for the year	0	0	0	-112,830	-112,830	-112,830
Other comprehensive income for the year	0	0	62	0	62	62
Comprehensive income for the year	**0**	**0**	**62**	**-112 830**	**-112 768**	**-112,768**
Issue costs	0	1 858	0	0	1 858	1,858
Capital stock issue in progress	0	3	0	0	3	3
Share-based renumeration, value of free warrants	0	1 093	0	0	1 093	1,093
Total transactions with owners	**0**	**2,954**	**0**	**0**	**2,954**	**2,954**
Closing equity on December 31, 2022	**5,653**	**799,583**	**118**	**-968,889**	**-163,536**	**-163,536**
Opening equity on January 1, 2023	**5,653**	**799,583**	**118**	**-968,889**	**-163,536**	**-163,536**
Profit for the year	0	0	0	-65,350	-65,350	-65,350
Other comprehensive income for the year	0	0	3	0	3	3
Comprehensive income for the year	**0**	**0**	**3**	**-65,350**	**-65,347**	**-65,347**
Transactions with owners	0	0	0	0	0	0
Total transactions with owners	**0**	**0**	**0**	**0**	**0**	**0**
Closing equity on December 31, 2023	**5,653**	**799,583**	**121**	**-1,034,239**	**-228,882**	**-228,882**

Consolidated cash flow report

SEK in thousands	Note	2023	2022
Cash flow from operating activities	24		
Profit before tax *		-65,503	-112,521
Adjustment for non-cash-flow items	24	64,427	95,597
Paid income tax		367	-312
Cash flow from operating activities prior to changes in working capital		**-710**	**-17,236**
Cash flow from changes in working capital			
Changes in inventories		-2,733	-7,630
Changes in operating receivables		3,545	-458
Changes in operating liabilities		13,204	627
Cash flow from operating activities		**13,306**	**-24,697**
Investing activities			
Acquisition of subsidiaries			0
Investment in intangible assets		133	-20
Investment in own development work		-41,255	-36,373
Investment in tangible assets		-722	0
Payment of deposit		254	-719
Cash flow from investing activities		**-41,857**	**-37,112**
Financing activities	24		
Borrowings		38,207	69,122
Repayment of loans		-8,273	-10,000
Amortization of lease liabilities		-5,038	-4,790
New capital issue		0	3
Other changes from financing activities		-97	0
Cash flow from financing activities		**24,799**	**54,335**
Cash flow for the year		**-3,751**	**-7,474**
Cash and cash equivalents at the beginning of the year		42,412	49,886
Cash and cash equivalents at the end of the year	19	**38,661**	**42,412**

*The item "Earnings before tax" includes interest received in the amount of TSEK 411 (152) and interest paid in the amount of TSEK 7,527 (3,262 TSEK).

Group notes

Note 1 Significant accounting principles

The annual report and consolidated financial statements cover the Swedish parent company Clavister Holding AB (the Company), corporate identity number 556917-6612 and its subsidiaries (referred to jointly as the Group, Clavister or the Company). The parent company is a joint stock corporation registered in Sweden with its head office in Örnsköldsvik. The head office can be found at the address Sjögatan 6 J, 891 60 Örnsköldsvik, Sweden.

The Consolidated Annual Report for the Group and Clavister Holding AB, including financial statements, was approved for issue on May 6, 2024. The balance sheets and income statements are subject to adoption by the Annual General Meeting on 27 maj 2024.

Applied regulations

The consolidated financial statements have been established in accordance with the International Financial Reporting Standards (IFRS) provided by International Accounting Standards Board (IASB) as well as interpretations from the IFRS Interpretations Committee (IFRS IC), such as the ones adopted by the European Union (EU). The group also applies the Annual Accounts Act (1995:1554) and the recommendation from "Rådet för finansiell rapportering" (The Board for Financial Reporting) RFR 1 "Kompletterande redovisningsregler för koncerner" (Supplementary accounting provisions for groups". These require some additional disclosures for Swedish consolidated financial statements that are prepared in accordance with IFRS.

The accounting policies described below have been applied consistently, unless otherwise stated, over all periods reported in the consolidated accounts and for all companies in the group.

New and changed standards applied by the group

As of January 1, 2023 the group applies a number of changed standards. None of these changes have had any material impact on the group's financial statements.

New and changed standards not yet applied by the group

None of the new IFRS standards and interpretations that have yet to come into force are anticipated to have any material impact on the group's financial statements.

Consolidated financial statements

Consolidation

The consolidated financial statements have been prepared according to the acquisition method, This means that the acquisition of a subsidiary is regarded as a transaction through which the group acquires the subsidiary's assets and assumes its liabilities. Group companies are consolidated from the date when the group exercises control or a controlling influence over the company. Thus the consolidated income statements and balance sheets cover all companies over which the group has direct or indirect controlling influence. A controlling influence means the group has a direct or indirect right to determine the company's financial and operational strategies in order to gain financial benefits. Usually, controlling influence is based on ownership and is thus also taken up in the consolidated accounts. The subsidiaries' financial reports are included in the consolidated financial statements from the acquisition point until the end of the controlling influence.

Intra-group receivables and liabilities, revenues or expenses and unrealized gains arising from intra-group transactions between companies in the group are eliminated in full. Unrealized losses are eliminated in so far as transactions do not constitute evidence that there is a need to recognize impairment for the asset concerned.

Subsidiaries

Subsidiaries are companies under Clavister Holding AB's controlling influence. The fair value of acquisitions is determined on the day the identifiable assets and assumed liabilities are acquired, as well as any holdings without a controlling influence. Any transaction expenses that arise, with the exception of transaction expenses attributable to emission of equity instruments or debt instruments, are reported directly in the year's profit/loss. In business combinations where the transferred compensation exceeds the fair value of the identifiable acquired assets, assumed liabilities and any contingent liabilities reported separately, the difference is recognized as goodwill. If the acquisition price is less than the fair value of the acquired subsidiary's net assets, this difference is reported directly in the income statement.

When an acquisition is made in increments, the goodwill is determined on the day the controlling influence originates. Previous holdings are recognized at fair value and the change in value is recognized in the year's profit/loss. Acquisitions of holdings without controlling influence are reported as transactions within equity, i.e. between the parent company's owners (within retained earnings) and holdings without controlling influence. As such, these transactions do not result in goodwill. The holding changes without controlling influence is based on its proportional share of net assets.

Currency

Functional currency and presentation currency

Functional currency is the currency in the primary financial environments in which the companies operate. The consolidated accounts are reported in Swedish kronor (SEK), which also serves as Clavister Holding AB's functional currency and is the reporting currency for the group's financial reporting. All amounts presented, unless stated otherwise, are provided in SEK thousands. Figures in brackets refer to the previous year

Transactions in foreign currency

Transactions in foreign currency are translated at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities such as accounts receivable and accounts payable in foreign currency are converted at the exchange rate prevailing on the balance sheet date. Non-monetary items reported at cost are reported using the exchange rate prevailing at the time of the transaction. Tangible and intangible fixed assets, inventories and advance payments are examples of non-monetary items.

Group notes

Differences in exchange rates which originate from the onversions are reported in the year's profit/loss. Exchange gains and losses on operating receivables and operating liabilities are reported in the operating profit/loss, while exchange gains and losses on financial receivables and liabilities are reported as financial incomes and expenses.

Conversion of foreign operations

Assets and liabilities in foreign operations, including goodwill and other group related surplus and sub-values, converted from the functional currency of the foreign operations to the group's presentation currency, SEK, at the exchange rate current to the balance sheet date. Revenues and costs in a foreign operation are translated to SEK at an average exchange rate which constitutes an approximation of the exchange rates prevailing at the time of each respective transaction.

Conversion differences arising from currency conversion of foreign operations are reported under other comprehensive income and accumulates in a separate component of equity capital, named conversion reserves. Upon the sale of a foreign operation, the accumulated conversion differences attributable to the operation are realized, whereupon they are reclassified from the other comprehensive income to the year's profit/loss.

Basis for evaluation

Assets and liabilities have been based on historical cost.

Classification

Fixed assets and noncurrent liabilities comprise in all material respects amounts that are expected to be recovered or paid after more than 12 months or paid within 12 months counting from the closing date.

Segment reporting

An operating segment is a part of the group that conducts operations from which it can generate revenue and incur costs, where operating profit is audited by the company's chief executive decision-makers and for which independent financial information is available. Clavister's highest executive decision maker (President and CEO) evaluates the group's revenue development at the overall level, and also with revenues broken down by geographical market. However, costs are not measured by geographic market but on the basis of function and at a total level as a whole. Thus management does not analyze operating profit on the basis of any sub-level; the group as a whole is seen as a single segment.

Revenue recognition

Revenue is recognized when the performance obligation is fulfilled and control over products and services is transferred to the customer. The group recognizes revenue at an amount that reflects the expected remuneration and the remuneration the Company is entitled to for the transfer of goods and/or services to customers when control has been transferred to the customer. Incomes are reported excluding VAT, returns and discounts, as well as after any intra-group sales have been conducted. Revenue recognition takes place either at a specific time or continuously over a period of time. In the event that the group's fulfillment of one or more performance obligations takes place over time, revenues are allocated on the basis of a measurement of the degree of completion of each distinct performance obligation, usually over the duration of the contract. Set forth below are the specific criteria for revenue recognition for each of the group's operations.

Intra-group sales are extremely limited.

Sales

Clavister sells cybersecurity solutions to customers. The solutions usually include the following performance obligations: hardware, hardware replacement warranty, the right to use the software license, software license updates, third party data and support. The license model refers to an SaaS-based business model. The group also sells consulting services and subscription licenses for identity management.

Allocation of transaction price

The transaction price is allocated to the relevant identified performance obligation based on the stand-alone sales prices, if available. If a stand-alone sales price is not available, the price is estimated by adapted market assessment or the expected cost with a reasonable margin. Variable compensation and discounts are allocated to specific performance obligations. If there is no evidence that a discount is related to a specific performance obligation, the discount will be distributed proportionally to all such commitments.

Hardware income

Income from the sale of hardware is recognized when substantial control of the product has been transferred to the buyer in accordan ce with the sales conditions. Material control is transferred to the buyer when e.g. the group has an existing right to payment for the goods, the buyer has ownership of the goods, the goods have been delivered to the customer and/or the customer has assumed the significant risks and benefits associated with the ownership of the goods.

Revenue from hardware replacement warranty

Revenue from the hardware replacement warranty is reported over the duration of the contract as Clavister's performance obligation to the customer to replace the hardware, where applicable, extends over the duration of the contract. The performance obligation is thus fulfilled over time.

License revenue

Revenue from the sale of software licenses is recognized when the right to use the license has been transferred to the purchaser in accordance with the terms of sale and Clavister has thereby fulfilled the performance obligation to the customer on a single occasion. The right to use the license is transferred to the purchaser once the means to use and activate the license is made available.

Revenue from software license updates

Revenue from updates made to the licensed software during the term of the contract is recognized over the duration of the contract as the performance obligation to provide software updates is met over the duration of the contract.

Group notes

Revenue from third party data

Revenue from third party data Revenues from third party data, components in the license received and updated from a third party through Clavister, are recognized over the duration of the contract as third party data and updates are provided throughout the term of the contract. Clavister thereby fulfills the performance obligation over time.

Support revenue

Revenue from the sale of support during the term of the contract is recognized over the duration of the contract as the performance obligation to provide support is fulfilled over time.

Revenue from Identity management (IAM) subscription licenses

Revenues from the sale of Identity Management (IAM) subscription licenses are recognized during the subscription term as Clavister completes the performance obligation over time.

Clavister Security Subscription (CSS) and Clavister Product Subscription (CPS)

– refer to Clavister's license models valid until 09/30/2021, which are now being phased out in favor of the new SaaS-based business model from Q4 2021. During a transitional period, both the new and the old business models will run in parallel.

Revenues for the CSS and CPS firewall licenses are recognized over the duration of the contract as the performance obligation is fulfilled over time. There is also a performance obligation for CSS regarding the provision of sub-supplier data, which amounts to 50% of the invoiced value of CSS, which is transferred on a single occasion and is thus recognized directly as revenue. The duration of the firewall licenses varies from 12 months to 72 months.

Cyber Armour

Clavister's Cyber Armour solution consists of three different performance obligations, one hardware component, a one-time license and support. Revenues from the hardware and support components are reported in accordance with the procedure described above for each performance obligation. The license is of a non-recurring nature and is recognized when the right to use the license has been transferred to the purchaser in accordance with the terms of sale and Clavister has thereby fulfilled the performance obligation to the customer on a single occasion. The right to use the license is transferred to the purchaser once the means to use and activate the license is made available.

Consulting revenue

The company reports the incomes from services in the earnings over time based on the completion rate and in tandem with the control of the service is transferred to the customer. The tasks are carried out either as fixed price projects on an ongoing basis and the income is in these cases reported over a period of time at the rate at which the task is performed. Income is not reported if it is deemed likely that the economic advantages will not benefit the group. If there is significant uncertainty regarding payment or attached costs, the revenue is not recognized.

Variable renumerations

Contracts with customers may include variable reimbursements such as discounts. The group may provide discounts in addition to current list prices; such discounts are deducted from the price of the goods or services and thus reduce the selling price and the expected revenue from each performance obligation. Therefore revenue per performance obligation is adjusted to list price less the discount.

Practical solutions

The group takes the opportunity to apply practical solutions regarding financing components and additional expenses. In contracts where the time between the handover of goods or services to the customer and payment by the customer exceeds one year, the group expects there to be no material difference between the promised payment amount and the cash sales price. As a result, the group does not adjust the transaction price for the effects of financing components. Moreover, the group applies the practical solution to report additional expenditures for obtaining an agreement as an expense in the income statement, when the depreciation time of the asset would otherwise have been reported is less than one year.

Contract asssets and Contract liabilities

Contract assets arise when revenue is recognized but where the receipt of payment from the customer is subject to terms in addition to normal payment terms. Such terms may e.g. be customer approval. When any additional conditions that may exist are fulfilled, the contract asset is reclassified into accounts receivable. The goods or services are invoiced either during the course of the work according to agreed contractual terms when e.g. agreed milestones are reached or when control of the goods or services is transferred to the customer. Contract assets are subject to impairment testing. Refer to the accounting policies for impairment of financial assets on page 32.

A contractual liability is reported in the balance sheet when the group has received payment from the customer or an invoice has fallen due for payment, whichever is the sooner, before the group has transferred control of the goods or services. The contractual liability is recognized as revenue as the group delivers under the terms of the contract and transfers control of the goods or services to the customer.

Government grants

Government grants are reported when there is reasonable assurance that the Group will fulfill the conditions set out in the grants and that the grants will be received. Contributions are recognized in the income statement as other income.

Financial income and expenses

ed assets. Interest income is reported in accordance with the effective interest method. Effective interest is the interest which discounts the future payments and expenses under a financial instrument's expected duration to the financial asset's or the debt's reported net value. The calculation includes all expenses paid or received by the contracting parties as part of the effective interest, transaction expenses and all other premiums or discounts.

Group notes

Financial costs consist mainly of interest, exchange losses on financial receivables and liabilities as well as activated costs allocated over time with regard to loan financing through external financial institutions, and are allocated as interest expenses over the loan period. Interest expenses on loans are reported according to the effective interest method.

Currency rate incomes and losses are recognized as net sums.

Employee benefits

Short-term benefits

Staff benefits refers to all forms of compensation provided to employees by the group. The group's benefits includes items such as salaries, paid vacations, holiday compensation, paid leave of absence and bonuses. Reporting is done in tandem with the earnings.

Pensions

Clavister's pension obligations solely consist of defined contribution plans. A defined contribution pension plan is a pension plan according to which the group pays fixed fees to a separate legal entity. The group has no legal or informal obligations to pay additional fees if this legal unit lacks the sufficient funds to pay for all the staff compensations associated with the staff service during the current or previous periods. This means that the group has no additional risks. The group's obligations regarding fees for defined contribution plans are reported as an expense under net profit/loss for the year as they are earned through the services performed by the employees for the group during the period.

Termination benefit

A cost for benefits in connection with staff termination is only reported if the company is demonstrably obliged, without realistic opportunities for withdrawal, by a formal detailed plan to terminate an employment before the regular point in time. When benefits are presented as an offer to encourage voluntary retirement, a cost is reported if it is likely that the offer will be accepted and the number of employees expected to accept the offer can be reliably estimated.

Share-based compensation

The group has a share-related remuneration plan in the form of share warrants in which the group receives compensation at market rates in payment for the group's equity instruments. More information about these plans can be found in Note 8.

The group's share warrants plan is administered by Clavister. When the options are redeemed, Clavister transmits the correct number of shares to the employee. Payments received, after deduction of any directly attributable transaction costs, are credited to equity.

Taxes

Income taxes consist of current taxes and deferred taxes. Income taxes are reported in the year's profit/loss, except when the underlying income taxes are current taxes and deferred taxes. Income taxes are reported in the year's profit/loss, except when underlying transaction reported in other comprehensive income or equity capital, whereby the associated taxation effect is reported in other comprehensive income or equity capital.

Current tax is tax paid or received in the year in question, with the application of the set taxation rates or determined in practice in the balance sheet date. Current taxes also includes the adjustment of current tax attributable to previous periods.

Deferred tax is reported in its entirety, according to the balance sheet method, on all temporary differences that arise between the taxation value on assets and liabilities and its reported values. Temporary differences are not taken into account in consolidated goodwill.

Additionally, temporary differences attributable to shares in subsidiaries which are not expected to be reveres within the foreseeable future are not taken into account.

The valuation of deferred tax is based on how underlying assets and liabilities are expected to be realized or settled. Deferred tax is calculated through the application of the tax rates and taxation rules in force or announced as of the balance sheet day and which are expected to apply when the deferred tax claim is realized or the deferred tax claim is settled.

Deferred tax claims relating to deductible temporary differences and deficit deductions are only reported to the extent that they are likely to be utilized. The value of deferred tax claims is reduced when it is no longer deemed likely that the claims will be utilized.

Earnings per share

Earnings per share prior to dilution is calculated by dividing the net result attributable to the parent company's shareholders by the weighted average number of outstanding shares during the year.

Earnings per share after dilution is calculated by dividing the net result attributable to the parent company's shareholders (adjusted where appropriate) by the weighted average number of common stocks and potential common stocks which may contribute to the dilution effect. The dilution effect of potential common stock is only reported if a conversion to common stocks could lead to an earnings loss per share following dilution.

Intangible assets

Goodwill

Goodwill is valued at acquisition cost minus any accumulated impairments. Goodwill is allocated to cash-generating units that are expected to benefit from the synergy effects of the acquisition. Goodwill is subjected to impairment testing at a minimum on an annual basis and also as soon as there are indications that the asset in question has decreased in value. The impairment test is conducted at the level at which goodwill is monitored within the group.

Capitalized expenditures for development works

Expenditures for research are expensed as they arise. Costs during the development phase of products are activated as intangible assets when the board assess that it is likely that they will result in future economic advantages for the group, the criteria for activation have been met and the costs during the development phase can be measured reliably. Expenses

Group notes

capitalized include those related to materials, direct pay and other expenses directly attributable to the project. Additional expenditures are expensed as they arise in order to maintain the existing level of the intangible asset. Additional expenditures that improve and develop the existing intangible asset are capitalized if they meet activation criteria. Assets developed internally will be reported at acquisition cost minus any accumulated depreciations and any accumulated impairments. All other costs which do not meet the criteria for activation will debit the earnings when they appear.

Program rights / Licenses

Software of a standard character are carried as an expense. Expenses for software developed or in a substantial was adapted on the group's behalf are activated as an intangible asset if it has probable economic benefits which exceed the cost within one year.

Client relationsships

Customer relationships acquired by the group refers to customer related assets and assets related to agreements or technology. These will be reported at acquisition cost minus any accumulated depreciations and any accumulated impairments.

Tangible fixed assets

Fixed assets are reported in the group at acquisition cost after deductions for accumulated depreciations and any impairment. Acquisition cost includes the purchase price and expenses directly attributable to the asset to bring it to its designated location and usable condition in accordance with the purpose of the acquisition.

The carrying value of an asset is removed from the balance upon retirement, disposal or when no future economic benefits are expected from the usage or the retirement/sale of the asset. Any profit or loss resulting from the sale or retirement of an asset consists of the difference between the selling price and the recognized value of the asset with deductions made for direct selling costs. Such profit and loss are reported as other operating income/cost.

Additional expenses

Additional expenses are only added to the acquisition cost if it is deemed probable that the future economic advantages associated with the asset will come to benefit the group and that the acquisition cost can be reliably calculated. All other additional expenses will be reported as a cost for the period in which they appear. Repairs are continuously carried as expenses.

Amortization and Depreciation principles

Amortization and depreciations are recognized on a straight-line basis in the year's profit/loss over the estimated utilization period for intangible and tangible assets, provided that such utilization periods are not indefinable. Goodwill and capitalized development costs are subjected to impairment testing on an annual basis and as soon as there are indications that the asset in question has decreased in value. Intangible and tangible assets with definable utilization periods are depreciated as of the point in time they become available for use.

The estimated utilization periods are:

- Capitalized expenditure for development works	5 years
- Program rights / licenser	10 years
- Customer relationsships	5 years
- Equipment	3 years
- Computeres	3 years

- Right-of-use assets are amortized at the shorter of useful life and lease term.

The depreciation, amortization, residual values and utilization periods are retried at the end of every year.

Leasing

When initiating a contract, the group assesses whether the contract is, or includes, a lease. A contract is a lease, or contains a lease, if it confers the right to determine the use of an identifiable asset for a given period in exchange for compensation. The lease term is defined as the non-cancellable term, together with periods covered by an extension option that the lessee is reasonably confident of using and periods subject to termination opportunities if the lessee is reasonably confident of not making use of that option. The group's leasing agreements are mainly linked to office spaces and company vehicles. The group has not made use of the option of either extending or terminating the leases in force at the initial calculation. The group has chosen to isolate non-lease components and has excluded service fees for cleaning and other expenses from lease charges. The group applies the practical solutions that exist regarding short-term contracts and leases where the underlying asset is of low value.

Right of use assets

At the beginning of the lease period, the right of use assets in use are reported at cost and consist of the original lease liability less any lease charges paid before the start date, less any lease benefits received and any direct costs incurred by the group. Right-of-use assets are amortized on a straight-line basis over the shorter of useful life and lease term. After the initial application, an impairment test is performed for any leasing rights which indicates a need for impairment and an impairment is reported against the impairment tested asset.

Lease liabilities

The lease liability is calculated on the date of acquisition to the present value of the fixed and variable lease charges unpaid at this point; lease charges during any extension periods that the group is reasonably certain to use, and penalties for any early termination of the contract if it is reasonably certain that the group will terminate the agreement prematurely. Only variable lease charges based on index or interest are included. Present value is calculated using the implicit lease interest rate, or if this cannot be determined by using the group's marginal interest rate. The marginal lending rate was 9.1 % (4.5). The lease liability is measured at amortized cost using the effective interest method.

Modifications

Modifications to the lease are reported depending on lease design as either a new lease with a date of entry into force, or the original lease is changed to take account of the contract.

Impairment of non-financial assets

The carrying values of the group's non-financial assets, such as goodwill and capitalized development costs, are tested annually to determine whether there is any indication of a need to recognize impairment. Should such an indication exist, the recoverable amount of the asset is estimated and an impairment loss is recognized when an asset or a cash-generating unit's carrying value exceeds the recoverable amount. The recoverable amount is the greater of the asset's fair value less sales costs and its value in use. When assessing value in use, estimated future cash flows are discounted using a factor that takes into account current market assessments of the time value of money and the risks related to the asset or cash-generating unit.

An impairment is made in the amount with which the asset's reported value exceeds its recoverable amount. When estimating the need to recognize impairment, assets are grouped at the lowest level where there are separate identifiable (cash generating units). When impairment needs are identified for a cash generating unit (group of units), the amount impaired is primarily allocated to goodwill. Following this, a proportional impairment of the other assets included in the unit (group of units) is made.

Previously reported impairments is reversed if the recoverable amount is assessed to exceed the reported value. Recovery does however not occur for amounts larger than what would make the recognized value amount to what it would have been if the impairment had not been recognized in earlier periods. Impairment of goodwill is however never recovered.

Financial assets and liabilities

Financial assets

Financial assets are recognized in the balance sheet when the group becomes a party in the contractual conditions for the instrument. Customary purchases and sales of financial assets are reported on the settlement date.

For financial assets, reporting in the balance sheet ceases when the payment rights from the holdings have ceased or have been transferred and the group has transferred all material risks and rights attributable to ownership. Separate assets and liabilities are reported if any rights or obligations are created or retained during the transfer.

The group classifies its financial assets using the following categories: "accrued acquisition cost", "fair value through other comprehensive income" and "fair value through profit/ loss. The classification depends on the asset's characteristics and the business model under which it is held. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not recognized at fair value through the earnings. Financial assets reported at "fair value through profit/ loss" are initially recognized at fair value and the transaction costs are carried as an expense in the statement of operations. All of the group's financial assets are reported under

Financial assets measured at amortized cost.

Financial assets at accrued acquisition cost

Financial asset are classified as reported at accrued acquisition value if the contractual conditions result in payments which only refer to the principal amount and interest for the outstanding principal amount, as well as the financial asset being held under a business model the purpose of which is to hold financial assets in order to obtain contractual cash flows. In subsequent reports, valuation at accrued acquisition cost is based on the effective interest method minus impairments. Interest revenues and profits/losses from financial assets at accrued acquisition cost are recognized as financial income.

Accounts receivable

Accounts receivable are initially recognized at fair value and later at amortized cost using the effective interest method. The group uses factoring and by agreement transfers accounts receivable to a factoring company in exchange for cash and cash equivalents in the currency in which the invoice is issued. Because the group retains the risk associated with these accounts receivable, it continues to report them in the balance sheet as accounts receivable. Because the group has determined that the business model of collecting contractual cash flows will remain applicable to such receivables, it will continue to value them at amortized cost. Earnings and losses from customer financing is presented in the statement of operations as other external expenses.

Financial liabilities

Financial liabilities are classified as valued at amortized cost.

The subsequent valuation of other financial liabilities are made at "accrued acquisition cost" using the effective interest method. Interest expenses and exchange rate profits and losses are reported in the earnings. Earnings and losses are also recognized in the earnings when removed from the annual report.

The group has a convertible debt instrument to Norrlandsfonden in the amount of MSEK 10, with the conversion rate of SEK 5.61. The convertible debt instrument matures on May 31, 2027. In the event of a conversion, 1,782,532 shares will be added. The maturity of the convertible debt instruments is 5 years and the interest rate is based on STIBOR 90 + 2.5%. In the case of negative interest, no interest compensation is payable. The convertible loan is for MSEK 10, which has been calculated at present value and MSEK 1.86 has been reported in equity

As part of the external financing with the EIB, the EIB is entitled to receive warrants from Clavister. In connection with the first payment from the EIB, the EIB received 1,770,079 warrants with the option to subscribe for 1,770,079 shares at a subscription price of SEK 0.1. The maturity date is 2037. The options were valued by an external party and the cost of the free-of-charge options is expensed as interest expense over the term of the loans. In the case of new issues or other transactions that increase the number of shares in Clavister, the EIB has the right to receive equivalent free-of-charge options to ensure there is no dilution of the EIB's right to options. The share warrants received by the EIB in 2018, 2020, 2021 and 2022 with a total number of 1,986,635 warrants at a subscription price of SEK 0.1 have all been issued as a result of new issues. The maturity date for all of them is 4/30/2038. They were valued by Clavister and the prevailing share price was used as market value.

Trade accounts payable

Accounts payable are initially recognized at fair value and later at accrued acquisition cost using the effective interest method.

Impairment of financial assets

On each closing day, financial assets valued at either amortized cost or as contract assets according to the expected credit losses model are tested for impairment. Expected credit losses make up the difference between all contractual cash flows that mature under the contract and all cash flows which the group expects to obtain, calculated at present value using the original effective interest rate. Impairments of accounts receivable and contractual assets are always the same as "expected credit losses" for the entire maturity. The group makes provisions for bad debt losses based on historical credit losses combined with forward-looking factors and individual tests.

The losses are reported in the statement of operations. When there is no longer a reasonable expectation of receiving payment, the asset is written off.

Inventories

The inventories are valued at the lower out of the acquisition cost and the net sales value. The acquisition cost is calculated in accordance with the "first in, first out" principle and includes expenses which have arisen from the acquisition of the inventory assets and transport to their current location and condition. The net sales value is defined as the sales price reduced by costs for completion and sales costs. No part of the inventories are brought up to net sales value. Inventories are reported net less obsolescence.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and immediately available balances with banks and similar institutions. Cash flow from operating activities is calculated according to the indirect method.

Provisions

Provisions differ from other liabilities in that there is uncertainty with regards to the time of payment or the size of the amount to regulate the provision. A provision is reported in the balance sheet when there is an existing legal or constructive obligation resulting from an event that has occurred and that it is likely that an outflow of financial resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are made in the amount which is the best estimate of what may be required for regulating the obligation in question on the balance sheet date. The calculation of provisions through discounting of the expected future cashflow is made where the effect of what point in time the payment is made is significant.

Restructuring

A provision for restructuring is reported when there is an established, detailed and formal plan for restructuring, and the restructuring has either been initiated or publicly announced.

Warranty provision

A provision for warranties is reported when the underlying products and services are sold. The provision is based on historical warranty data and an aggregate of possible outcomes in relation to the probabilities associated with the outcomes.

Contingent liability

A contingent liability is reported when there is a potential obligation which stems from events and the presence of which is only confirmed by one or multiple uncertain future events or when there is an obligation which is not reported as a liability or provision due to it being unlikely that an outflow of resources will be required or when the amount cannot be calculated in a sufficiently reliable manner.

Note 2 Significant estimates and assessments

Establishing the financial reports in accordance with IFRS requires company management to make estimates and assessments, as well as assumptions which affect the application of the accounting principles and the reported amounts for assets, liabilities, income and costs. The actual outcome may deviate from these estimates.

The estimates and assumptions are reviewed continuously. Estimation changes are reported in the period during which the change is made only if the change has had an impact on this period, or in the period during which the change is made and future periods if the change affects both the period in question and future periods.

The following assumptions regarding the future and other significant sources of uncertainty in the estimates made on the balance sheet date could entail a significant risk of a substantial adjustment of the reported values for assets and liabilities in the following fiscal year:

Impairment testing of Goodwill

When conducting an impairment test of goodwill, a number of significant assumptions and assessments are taken into account in order to calculate the cash generating unit's value in use. These assumptions and assessments are attributed to expected future discounted cash flows. Prognoses for future cash flows are based on the best possible assessments of future revenues and operating costs, based on historical developments, general market conditions, development and industry prognoses and other available information.

The group's goodwill has a carrying value of TSEK 66,697 (66,697) having arisen from the acquisition of the shares in the subsidiary PhenixID AB and the acquisition of Omen Technologies AB. Goodwill is tested for impairment at the lowest level where there are separate identifiable cash flows (cash generating units), which in the case of the group is PhenixID AB and Omen Technologies AB.

Group notes

Impairment testing consists of assessing whether a unit's recoverable amount is greater than its carrying value. The recoverable amount has been calculated on the basis of the units value in use, which represents the present value of the unit's expected future cash flows without consideration to any future business expansions or restructuring.

The value in use calculation is based on:

1) Estimated WACC (weighted average cost of capital) prior to taxation has been the following:

- Testing of PhenixID AB 15,5 % (15,1)

2) A cash flow forecast for the coming 5 years (2024 to 2028) has been calculated for PhenixID AB. The forecast is based on previous experiences and own assessments. The most important variables are annual sales growth and newly won contracts; assumptions concerning cost growth and sales growth were calculated in conjunction with impairment tests of between 5 - 20% per year.

3) Terminal value is calculated with a growth of 2% after 2028 in completed impairment tests.

And as for the AI-driven technology and product being developed by Omen Technologies AB, management considers it to be a technology that is attracting a great deal of attention in the cybersecurity market and as such is much sought after. The technology and product are still under development. When the AI technology and product become available to the market, Clavister AB will incorporate the technology into its own products for sale to new and existing customers. Clavister AB and Omen Technologies AB have concluded an agreement under which Omen Technologies AB will receive royalties for each product sold containing the AI-driven technology.

The assumptions are drawn up by company management and reviewed by the Board. This year's impairment test has not resulted in any impairments regarding goodwill.

Valuation of activated expenses for development work

The Board of Directors and company management have assessed that recognized, activated development costs have financial advantages, an evaluation for impairment has been made which reinforces the assessment that the calculated recoverable amount exceeds the carrying value.

The group's capitalized development costs totaled TSEK 94,840 (93,710) on December 31, 2023. Most of these capitalized development costs are taken into use and depreciation is carried out in compliance with depreciation principals. Capitalized expenditures for development works are tested for impairment at the lowest level where there are separate identifiable cash flows (cash generating units), which in the case of the group is Clavister AB, PhenixID AB and Omen Technologies AB. And as for the AI-driven technology and product being developed by Omen Technologies AB, management considers it to be a technology that is attracting a great deal of attention in the cybersecurity market and as such is much sought after. The technology and product are still under development. When the AI technology and product become available to the market, Clavister AB will incorporate the technology into its own products for sale to new and existing customers. Clavister AB and Omen Technologies AB have concluded an agreement under which Omen Technologies AB will receive royalties for each product sold containing the AI-driven technology.

Impairment testing consists of assessing whether a unit's recoverable amount is greater than its carrying value. The recoverable amount has been calculated on the basis of the units value in use, which represents the present value of the unit's expected future cash flows without consideration to any future business expansions or restructuring.

The value in use calculation is based on:

1) Estimated WACC (weighted average cost of capital) before tax was as follows:

- Testing of PhenixID AB 15,5 % (15,1)

- Testing of Clavister AB 19,1 % (19,2)

2) A cash flow forecast for the coming 5 years (2024 to 2028) has been calculated for PhenixID AB and Clavister AB. The forecast is based on previous experiences and own assessments. The most important variables are annual sales growth and newly won contracts; assumptions concerning cost growth and sales growth were calculated in conjunction with impairment tests of between 5 - 20% per year.

3) Terminal value is calculated with a growth of 2% after 2028 in completed impairment tests.

The assumptions are drawn up by company management and reviewed by the Board. This year's impairment test has not resulted in any impairments regarding capitalized expenditures for development works.

Deferred tax asset/tax liability for deficit deductions

As assessed by the Board and company management, the deferred tax asset is reported at the value of the deficit deduction that can be expected to be used against taxable income. Earnings trend forecasts in the group have been drawn up for this purpose. The deficit deductions have mainly arisen in the subsidiary Clavister AB and Clavister Holding AB. As of December 31, 2023, these deficit deductions totaled MSEK XXX (732) to a carrying value of MSEK 0 (0). No deferred tax asset attributable to the deficit deduction was reported as an asset in 2023 despite an increase in deficit deductions, as assessing the date for the financial advantages stemming from utilization of the deficit deductions is clouded by uncertainty. The tax effect was calculated according to the Swedish tax rate

Valuation of the cost of options to financiers

The Board and company management have assessed the cost of the free-of-charge options to financier EIB and the previous financier TageHus to total MSEK 54.8. The cost shall be recognized as an interest cost over the duration of the loans. The free-of-charge options were valued by an external party upon initial subscription. The additional free-of-charge options were valued by the group at the market value of the share at any given time.

The amount for the options in respect of the EIB loan is MSEK 40.0.

The following assumptions have been taken into account:

As the subscription price is essentially zero, no liquidity discount has been calculated, volatility is estimated at 45%, risk free interest at 1.4%, which has resulted in a valuation that is roughly the same as the share price as of the agreement date. An anti-dilution clause of 6 % is contained in the EIB agreement. This means that any future new option programs or new capital issues, in addition to what has already been taken into account and allocated, EIB has the right to the equivalent of 6% for every new option program in the form of additional remuneration free options.

Revenue recognition

Clavister has determined that the control of hardware, licenses and other performance obligations is transferred to the customer in compliance with IFRS 15 when the risk is transferred under the applicable delivery terms.

Clavister has agreements with distributors, partners and direct customers. A binding agreement with the customer in accordance with IFRS 15 criteria arises when one of the aforementioned places an order with Clavister for the desired product or service. Clavister's performance obligations then consist of the products and/or services defined in the order.

Clavister makes assessments regarding the transaction price, which is essentially a fixed price per quantity sold, where list prices form the basis for the transaction price, and any discounts given in addition to list prices are deducted from the price of the goods or services, thus reducing the price that Clavister will receive. Variable components such as volume discounts occur infrequently and are reported as they arise.

Performance obligations consist of hardware, hardware replacement warranties, the right-of-use software license, software license updates, third party data and support. The group also sells consulting services and subscription licenses for identity management. Control of the hardware passes to the customer under the delivery terms (Incoterms) applied. Clavister applies the Incoterm FCA (Free carrier) as a delivery condition, which means the risk passes to the customer when Clavister delivers the goods to the specified location and the buyer assumes the risk when the goods are delivered to the first carrier/terminal. Control of the right-to-use the license passes to the customer when the customer receives the license key, which takes place upon delivery. With the exception of consulting services, control of other performance obligations is transferred over the duration of the contract and distributed evenly throughout the contract term. The transfer of control for consulting services is based on the degree of completion; control is transferred as the work is performed.

Payment terms follow industry practice without extended credit periods.

Clavister provides third-party data, components of the license that are obtained and updated from third parties through Clavister. A company must determine whether its promise is an obligation to provide specified goods and services itself, i.e. whether the company is the principal, or whether the company must ensure that the other party provides those goods or services, i.e. the company is an agent. To be considered the principal, the company must check the specified goods or services before transferring them to the customer; verification is deemed to exist, inter alia, when the company has access to a good or service from the other party which it can then combine with other goods or services to provide to the customer. Additional indications of verification are that the company may, at its sole discretion, determine the price of the specified good or service and that it is the company which is primarily responsible for fulfilling the promise to provide the specified good or service to the customer. Revenue recognition for a company that is the principal occurs when, or as, the company meets the performance obligation.

The management has assessed the relationship between Clavister and the third party data suppliers and deems that Clavister be regarded as the principal in relation to the third party data transferred to the customer. This assessment is based on the fact that Clavister obtains control over the third party data in the form of an autonomous, independent decision by Clavister on which licenses to combine third party data; Clavister can independently price the performance obligation related to the third party data and it is Clavister the has the primary responsibility of fulfilling the promise to provide the third party data through the license with which the third party data is combined. In doing so, Clavister acts as the principal and recognizes the revenue related to this performance obligation in accordance with the amount of compensation to which the company expects to be entitled in exchange for the specified goods or services transferred.

Refinancing, liquidity and going concern

Based on below, the assessment by the Board of Directors and Management of Clavister is that financing is secured for the coming 12-month period.

The previously announced rights issue has been successfully completed after year end. The rights issue was subscribed to 100% and raised 170 MSEK before deduction of costs attributable to the rights issue.

The renegotiation of the repayment plan with the European Investment Bank (EIB), as previously announced, has been extended from 2026 to 2028 with significantly less repayments during the period 2024-2024 in comparison with previous repayment plan.

Clavister has received a deferral of payment of taxes related to VAT and employer contributions in accordance with available covid-19 support, totalling SEK 76.5 million. The Swedish Tax Agency has approved instalment plans for 36 months for 55.3 MSEK, and the application for an instalment plan for the remaining 21.2 MSEK will be made during the second half of 2024.

Note 3 Revenue from Contracts with Customers

Group 2023 - Revenue from contracts with customers

Per operating segment	Group	Internal transactions	Eliminat-ions	Total in the Group
Recurring revenue from contracts with customers	113,001	0	0	113,001
Products and license revenues of a non-recurring nature	26,675	0	0	26,675
Consulting services and other	20,934	0	0	20,934
Internal turnover	0	21,547	-21,547	0
Net sales	**160,610**	**21,547**	**-21,547**	**160,610**
Date of revenue recognition				
Products and services transferred to a customer at a given point in time	26,675	0	0	26,675
Services transferred to a customer over time	133,935	0	0	133,935

Group 2022 - Revenue from contracts with customers

Per operating segment	Group	Internal transactions	Eliminat-ions	Total in the Group
Recurring revenue from contracts with customers	94,806	0	0	94,806
Products and license revenues of a non-recurring nature	20,485	0	0	20,485
Consulting services and other	27,412	0	0	27,412
Internal turnover	0	19,042	-19,042	0
Net sales	**142,703**	**19,042**	**-19,042**	**142,703**
Date of revenue recognition				
Products and services transferred to a customer at a given point in time	20,485	0	0	20,485
Services transferred to a customer over time	122,218	0	0	122,218

Group notes

Contract assets and contract liabilities

The group reports the following income-related contract assets and contract liabilities.

Contract assets	2023	2022
Accrued income from customer contracts	7,962	7,225
	7,962	**7,225**

Contract liabilities	2023	2022
Prepaid income from customer contracts	67,567	64,375
	67,567	**64,375**

Company management expects 80 % of the performance obligations unrealized on December 31, 2023 to be reported as revenue during the next financial year (MSEK 54). The remaining 20 % (MSEK 13) will be reported during the financial years 2025-2029. Of the revenues reported as net sales in 2023, MSEK 50 were included in contractual liabilities as of December 31, 2022

At the end of 2023, the transaction price allocated to future contractual performance obligations totaled MSEK 4.6 (2.3) and the majority will be recognized as revene of the next 3 years.

Note 4 Operating segments

An operating segment of IFRS 8 is a part of the group that conducts operations from which it can generate revenue and incur costs, where operating profit is audited by the group's chief operating decision-maker and for which independent financial information is available. Clavister's management evaluates the group mainly through order development, and also through revenue development as a whole, as well as by revenue and order intake broken down into geographical markets. However, costs are not measured by geographic market but on the basis of function and at a total level as a whole. Therefore, the highest executive decision-maker analyzes the group as a whole having determined that the group should be regarded as a single segment.

The group's various revenue categories consist of non-recurring product and license revenues, recurring revenue from customer contracts and consulting services. In 2023, the share of non-recurring product and license revenues was 17 % (14 %) of sales, recurring revenues 70 % (67 %) and consulting services 13 % (19%).

No single customer accounts for more than 10% of total revenues.

The group's fixed assets total SEK 195,336 (182,687) of which SEK 194,862 (182,133) are in Sweden and SEK 474 (554) are in Germany.

Geographical distribution of net sales	2023	2022
Sweden	74,288	72,833
Rest of Europe	53,493	42,639
Asia	10,297	8,725
Rest of the world	22,532	18,506
	160,610	**142,703**

Other operating income	2023	2022
Government grants	908	3,141
Recharges of e.g. warranty costs	136	283
Exchange rage gains relating to operations	2,659	2,865
Other remunerations and revenues	313	415
Freight	414	0
	4,431	**6,703**

Note 5 Auditor fees

PwC	2023	2022
Auditor assignments	930	679
Auditing activities outside of the audit assignment	100	0
Tax advice	0	0
Other services	89	0
Carrying value	**1,119**	**679**

Audit engagements refer to fees for the statutory audit, i.e. work which is necessary to produce the audit report, as well as so called audit counseling provided as part of the audit engagement. Other services refer to auditing activities not included in the audit engagement, taxation consulting and other advice.

Note 6 Other external costs

Other external costs	2023	2022
Costs for premises	625	1,817
Consultancy expenses	25,446	20,767
Travel expenses	3,616	2,592
Administration	1,912	1,257
Market and sales	9,478	11,530
Other	3,792	3,398
Carrying value	**44,870**	**41,361**

The consulting expenses above consist predominantly of legal costs, consulting costs related to financing, Board fees, recruitment costs and support relating to license agreements.

Note 7 Employees and personnel costs

The compensations presented in note 7 refer to the respective costs incurred by the company during each fiscal year. Variable compensation refers to compensation estimated from set goals according to billings requirements. Information regarding what is included under "Other compensation" can be found under Note 27. Other compensation has been recognized up to and including the Board's resignation.

	2023		2022	
Average number of employees	**Average number of employees**	**Average number of employees**	**Average number of employees**	**Average number of employees**
Subsidiaries in Sweden	99	83%	111	87%
Subsidiaries in Germany	4	100%	5	100%
Total in subsidiaries	**103**	**84%**	**116**	**88%**
Parent company	5	100%	5	100%
Total in Group	**108**	**84%**	**121**	**88%**

	2023		2022	
Gender distribution, Board and senior executive	**Average number of employees**	**Average number of employees**	**Average number of employees**	**Average number of employees**
Board members	3	67%	3	67%
CEO and other senior executives	4	100%	6	100%
Total in Group	**7**	**86%**	**9**	**90%**

Employee benefit expenses	2023	2022
Parent company		
Board and other senior executives		
Salaries and other renumerations	8,895	8,481
Social security contributions	2,952	3,347
Pension expenses (defined contribution plans)	1,489	1,453
Total	**13,339**	**13,280**
Other employees		
Salaries and other renumerations	0	0
Social security contributions	0	0
Pension expenses (defined contribution plans)	0	0
Total	**0**	**0**
Subsidiaries		
Board and other senior executives		
Salaries and other renumerations	0	1,206
Social security contributions	0	379
Pension expenses (defined contribution plans)	0	103
Total	**0**	**1,688**
Other employees		
Salaries and other renumerations	66,326	79,022
Social security contributions	20,458	22,363
Pension expenses (defined contribution plans)	5,530	6,933
Total	**92,314**	**108,318**
Other employee benefit expenses	706	542
Total employee benefit expenses	**106,356**	**123,828**

2023	Basic salary, Board fees	Variable compen-sation	Pension expenses	Total
Chairman of the Board				
Andreas Hedskog from 2023-09-25	45	0	0	45
Jan Frykhammar through 2023-07-04	288	0	0	288
Board Member				
Staffan Dahlström	225	0	0	225
Stina Slottsjö	225	0	0	225
CEO and other senior executive				
John Vestberg	1,834	388	314	2,536
Other senior executive (X)	5,973	470	948	7,390
Of which from subsidiaries	*0*	*0*	*0*	*0*
Total	**8,590**	**858**	**1,262**	**10,710**

2022	Board fees	compen-sation	Pension expenses	Total
Chairman of the Board				
Jan Frykhammar from 2022-03-29	326	0	0	326
Victor Kovács through 2022-03-29	163	0	0	163
Board member				
Jan Frykhammar through 2022-03-29	100	0	0	100
Staffan Dahlström	217	0	0	217
Kimberly Matenchuk through 2022-03-29	85	0	0	85
Martin Kreuzer through 2022-03-29	58	0	0	58
Malte Pollmann through 2022-03-29	58	0	0	58
Martin Roos through 2022-03-29	58	0	0	58
Stina Slottsjö from 2022-03-29	133	0	0	133
CEO and other senior executives				
John Vestberg	1,743	193	351	2,287
Other senior executives	8,438	706	1,205	10,349
Of which from subsidiaries	*828*	*378*	*103*	*1,309*
Total	**11,378**	**899**	**1,556**	**13,833**

Board fees

Board fees were paid out in their entirety as salaries

Renumeration and conditions for senior executives

Remuneration for the CEO and other senior executives consists of a basic salary, variable remuneration and pension benefits. Other senior executives refer to individuals who along with the CEO comprise the group management. The CEO has a twelve-month notice period, other senior executives have a six-month notice period.

Variable remuneration for senior executives shall be related to predetermined and measurable goals and performance criteria and aim to promote the group's long-term value creation. Variable remuneration payable in cash may not exceed 50 percent of the total remuneration and shall not be pension or holiday pay. Share-based incentive programs shall be decided by the general meeting of Clavister Holding AB and be structured with the purpose of achieving increased alignment of interest between senior executives and the shareholders of Clavister Holding AB.

The build-up of a proprietary shareholding in Clavister Holding AB shall be promoted. The vesting period, alternatively the time for a final acquisition of shares, stock options and other stock-related instruments shall not exceed three (3) years.

Clavister Holding AB and Clavister AB have a "Premium" pension policy adopted by the Board.

The pension conditions for senior executives shall have a market rate of pay in relation to what is generally applicable to executives in equivalent positions on the market, as well as individually adapted with regards to each respective executive's particular expertise and adapted to the Group's expenses. Pension provisions shall be expense defined.

Severance

CEO remuneration consists of a base salary and pension. For the CEO, occupational pension is paid equivalent to 6.5% of pensionable salary up to 7.5 price base amounts and 28.5% between 7.5 and 20 price base amounts, in addition to 13.5% on any additional amounts. Upon termination by the company, the CEO will receive severance pay equivalent to 12 months.

No severance is paid to resigning members of the board.

Not 8 Share-based renumeration

In 2016, warrants was issued, linked to the loan financing with Harbert carried out in October 2016, issue price SEK 0.10; these mature in 2026. This loan has been repaid in full.

In 2017, options were allocated to the lender, EIB; the options are free of charge, the subscription price is 0.10; and the options mature in 2037.

In 2018, 2020, 2021, 2022 and 2023 the lender EIB was allocated additional share warrants, issue price SEK 0.10, free of charge; they mature in 2038.

In 2021, an option program was issued to senior executives and the Chairman of the Board; the subscription price at redemption is SEK 15.93. They mature in 2024.

In 2022, an option program was issued to employees and senior executives; the issue price at redemption is SEK 10.95. They mature in 2025.

If the outstanding share warrants are exercised, the group will issue a further 6,102,015 shares equivalent to around 11% of the total 56,530,354 registered shares.

No stock options were exercised during 2022-2023, however, 404,500 subscription options were cancelled.

The exercise price range for outstanding share warrants at the end of the period was between SEK 0.10 and 10.93 (0.10 - 10.93).

Warrant payments have been made in accordance with the calculated price according to Black & Scholes, which is why it has not affected the reporting with any costs.

In respect of the free-of-charge options issued to lenders, an external valuation was conducted and a cost was entered as a reduction of liabilities to credit institutions and equity and was allocated over the duration of the loans to a total cost of MSEK 54.7, see also Notes 2 and 14.

Number of outstanding share warrants	2023-12-31	2022-12-31
Share warrants 2016 - 2026	19,801	19,801
Share warrants 2017 - 2037 (Serie 3)	1,770,079	1,770,079
Share warrants 2018 - 2038-04-30	36,703	36,703
Share warrants 2020 - 2038-04-30	101,805	101,805
Share warrants 2021 - 2024-06-30	2,100,000	2,100,000
Share warrants 2021 - 2038-04-30	1,605,331	1,605,331
Share warrants 2022 - 2038-04-30	242,796	242,796
Share warrants 2022 - 2025-06-30	225,200	630,000
Total	**6,102,015**	**6,506,515**

Number of outstanding share warrants	2023-12-31	2022-12-31
John Vestberg, VD	505,000	505,000
Management, excl. CEO (3)	765,000	820,000
Harbert, former creditor	19,801	19,801
EIB, creditor	3,756,714	3,756,714
Other	1,055,500	1,405,000
Total	**6,102,015**	**6,506,515**

	2023		2022	
	Number of options	Weighted average exercies prices	Number of options	Weighted average exercise prices
At the start of the period	6,506,515	1.51	5,633,719	1.51
Assigned	0	0.0	630,000	10.95
Assigned renumeration free	0	0.0	242,796	0.10
Redeemed	0	0.0	0	0.00
Invalidated	-404,500	10.95	0	0.00
Matured	0	0.0	0	0.00
Outstanding at the end of the period	**6,102,015**	**5.95**	**6,506,515**	**6.26**
Redeemable at the end of the period	0	0	0	0

Note 9 Other operating expenses

Other operating expenses	2023	2022
Exchange rate differences in operating receivables and operating liabilities	2,036	1,851
Total	**2,036**	**1,851**

Note 10 Leasing

Right-of-use assets consist mainly of leases mostly for office premises in Örnsköldsvik and Stockholm, and lease vehicles. The leases run between 1 and 6 years. The Group has determined that an extension option for leased premises is unlikely to be used, it was not taken into account when calculating the lease liability and right-of-use asset. The rent levels vary depending on where in the country the premises are located and are index adjusted annually according to the consumer price index (CPI). There are no ongoing or adjudicated disputes related to the lease agreements.

Lease agreements shorter than 12 months have not been included, nor lease agreements where the underlying asset is of minor value

Right-of-uss assets refer to values for both premises and vehicles. In the opening value, premises accounted for TSEK 20,372 (20,805); acquisitions of premises for the year totaled TSEK 18,958 (306) and disposals of premises for the year totaled TSEK 20,372 (739). Opening depreciations of premises accounted for TSEK 17,276 (13,938); depreciations of premises for the year totaled TSEK 4,440 (4,052) and disposals of premises for the year totaled TSEK 20,437 (714).

Liabilities regarding leasing agreements is presented in interest-bearing liabilities in the group's balance sheet. See also Notes 18 and 30.

Right of use assets	2023-12-31	2022-12-31
Opening value	**23,047**	**24,880**
Acquisition for the year	19,290	924
Reclassification	-267	0
Sales / disposals	-21,365	-2,757
Closing accumulated acquisition costs	**20,706**	**23,047**
Opening depreciations	**-19,177**	**-17,279**
Acquisition for the year	21,430	2,735
Sales / disposals	-4,805	-4,632
Translation effects	0	0
Accumulated depreciations carried forward	**-2,553**	**-19,177**
Carrying value	**18,153**	**3,870**

Leasing liabilities	2023-12-31	2022-12-31
Opening value	**4,009**	**8,842**
New liabilities	19,290	646
Amortization	-4,963	-5,480
Carrying value	**18,335**	**4,009**
Current leasing liabilities	3,338	3,830
Non-current leasing liabilities	14,997	179
Total leasing liabilities	**18,335**	**4,009**

Interest on lease liabilities in 2023 was reported to a total of TSEK 1,077 (290) at a rate of 9.1 % (4.5%). Cash outflows for leases totaled TSEK 5,974 (6,723).

Leasing in the income statement

The group has no income from subletting of rights of use or any income/losses from sale and leaseback transactions. The cost of variable lease charges not included in the evaluation of lease liability, totaled TSEK 0 (0) for the year ending December 31,2023. There are no leasing agreements with residual value guarantees or leasing agreements yet to be initiated and which the group has committed to. In the leasing agreements, there is, as of the balance sheet date in the agreements, no written opportunity for extension nor the possibility of termination. The cost of variable leasing charges with terms of less than 12 months totaled TSEK 0 (0) for the year ending December 31,2023. The cost of leases in which the group applied the voluntary exemption described under item 5b in IFRS 16 (leases in which the underlying asset is of low value) totaled TSEK 83 (85) TSEK for the year ending December 31, 2023.

Depreciations on lease assets during the year totaled TSEK 4,805 (4,632).

Note 11 Amortizations and Depreciations

	2023	2022
Capitalized development expenses	41,241	34,188
Program rights / licenses	2,204	2,201
Tangible assets	45	0
Right of use assets	4,805	4,632
Total	**48,295**	**41,021**

Note 12 Financial income and expenses

Financial income	**2023**	**2022**
Interest income	430	209
Total	**430**	**209**

Financial expenses	**2023**	**2022**
Interest expenses	32,586	22,946
Interest expenses relating to leasing	1,070	390
Expenses relating to share warrants to lenders, no cash flow effect	1,488	17,372
Other financial expenses	635	2,600
Net exchange rate fluctuations	-500	18,028
Total	**35,278**	**61,336**

Note 13 Taxes

Income statement

Current tax expense	2023	2022
Tax expense for the year	0	18
	0	18

Deferred tax		
Deferred tax relating to temporary differences	0	-48
Impairment of deferred tax asset	154	-279
Adjustment of deferred tax asset attributable to tax rate changes	0	-327
Tax recognized in the income statement	**154**	**-309**

Reconciliation of effective tax rate	2023	2022
Earnings before tax	**-65,503**	**-112,521**
Tax rate applicable to the parent company 20,6% (20,6%)	13,494	23,179
Tax effect of:		
Non-deductible interest expenses	-6,867	-3,863
Other non-deductible expenses	-347	-182
Unused deficit deduction for which deferred tax assets have not been reported	-6,224	-19,093
Adjustment of deferred tax attributable to tax rate changes	0	-48
Unused deficit deduction previously reported as a deferred tax asset, for which no deferred tax asset is currently reported	97	-279
Impairment of receivable from group company	0	-24
Reported tax	**154**	**-309**
Effective tax rate (%)	-0.2%	0.3%

The table below specifies the tax effect of the temporary differences:

Deferred tax liabilities	2023	2022
Convertible debt instruments	-285	-383
Carrying value*	**-285**	**-383**

Specification of changes in deferred tax liability:

	2023	2022
Opening carrying value	-285	-104
Changes in temporary differences	0	0
Impairment of tax assets relating to deficit deduction	97	-279
Closing carrying value for deferred tax liability*	**-285**	**-383**

Further information is available under Notes 2 and the heading 'Deferred tax asset / tax liability for deficit deductions'.

*Deferred tax liability above refers to net sum of recognized deferred tax asset and deferred tax liability in the balance sheet.

Note 14 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to the parent company's stockholders by the weighted average number of outstanding common stock during the year.

Basic earnings per share	2023	2022
Profit for the year attributable to parent company shareholders	-65,350	-112,830
Average number of outstanding common shares	56,530,354	56,530,354
Basic earnings per share	**-1.16**	**-2.00**

To calculate the diluted earnings per share, the weighted average number of outstanding common stock is adjusted for the dilution effect of all potential common stock.

The parent company has two categories of potential common stock with dilution effect: convertible debt instruments and stock options. The convertible debt instrument is assumed to have been converted to common stock, and the net profit adjusted to eliminate interest expenses reduced by the tax effect. For stock options, a calculation is made of the number of stock that could have been purchased at fair value (calculated as the annual average market price for parent company shares) for an amount corresponding to the monetary value of the subscription rights associated with outstanding stock options. The number of shares calculated according to the above is then compared with the number of shares that would have been issued, assuming that the stock options had been utilized.

Diluted earnings per share	2023	2022
Profit for the year attributable to parent company shareholders	-65,350	-112,830
Interest expense for convertible debt instruments (after tax)	376	231
Net profit	**-64,974**	**-112,599**
Average number of outstanding common shares	56,530,354	56,530,354
Adjustment for:		
Convertible debt	1,782,532	1,782,532
Stock options	6,102,015	6,506,515
Average number of outstanding common stock after dilution effects	64,414,901	64,819,401
Diluted earnings per share	**-1.01**	**-1.74**
Effect of limitation	**-1.16**	**-2.00**

Group notes

Note 15 Intangible assets

Purchase price	Goodwill	Program rights / licenses	Capitalized expenses for development work	Customer relations-ship	Total
As of January 1, 2022	**66,697**	**22,829**	**345,351**	**5,000**	**439,877**
Additions – internally generated	0	0	35,011	0	35,011
Additions - Externally acquired	0	20	1,116	0	1,136
As of December 31, 2022	**66,697**	**22,849**	**381,478**	**5,000**	**476,024**
Additions – internally generated	0	0	40,489	0	40,489
Additions - Externally acquired	0	133	766	0	899
As of December 31, 2023	**66,697**	**22,982**	**422,733**	**5,000**	**517,413**
Amortizations and impairments					
As of January 1, 2022	**0**	**-4,495**	**-252,465**	**-5,000**	**-261,960**
Amortizations	0	-2,201	-34,188	0	-36,389
As of December 31, 2022	**0**	**-6,696**	**-286,653**	**-5,000**	**-298,348**
Amortizations	0	-2,204	-41,241	0	-43,445
As of December 31, 2023	**0**	**-8,900**	**-327,894**	**-5,000**	**-341,793**
Carrying value					
As of December 31, 2022	**66,697**	**16,153**	**94,826**	**0**	**177,676**
As of December 31, 2023	**66,697**	**14,083**	**94,840**	**0**	**175,620**

Not 16 Tangible fixed assets

Equipment	2023-12-31	2022-12-31
Opening acquisition cost	**634**	**787**
Acquisition for the year	722	0
Sales / disposals	0	-153
Closing accumulated acquisition costs	**1,356**	**634**
Opening depreciations	**-634**	**-787**
Sales and disposals	0	153
Depreciation for the year	-45	0
Accumulated depreciations carried forwards	**-679**	**-634**
Carrying value	**677**	**0**

Note 17 Financial instruments

Valuation of financial assets and liabilities on December 31, 2023

Financial assets	Assets at accrued acquisition costs	Liabilities at accrued acquisition cost	Total recognized value	Fair value
Other long-term receivables	886	0	886	886
Accounts receivable	37,611	0	37,611	37,611
Other short-term receivables	1,239	0	1,239	1,239
Accrued income and prepaid expenses	11,149	0	11,149	11,149
Cash and cash equivalents	38,661	0	38,661	38,661
	88,646	**0**	**88,646**	**88,646**
Financial liabilities				
Convertible debt instruments	0	8,996	8,996	8,996
Liabilities to credit institutions	0	285,934	285,934	285,934
Leasing liabilities	0	18,335	18,335	18,335
Other long-term liabilities	0	4,372	4,372	4,372
Accounts payable	0	16,725	16,725	16,725
Other short-term liabilities	0	97,166	97,166	97,166
Accrued cost	0	96,429	96,429	96,429
	0	**527,958**	**527,958**	**527,958**

Valuation of financial assets and liabilities on December 31, 2022

Financial assets	Assets at accrued acquisition costs	Liabilities at accrued acquisition cost	Total recognized value	Fair value
Other long-term receivables	1,140	0	1,140	1,140
Accounts receivable	36,262	0	36,262	36,262
Other short-term receivables	4,965	0	4,965	4,965
Accrued income and prepaid expenses	11,307	0	11,307	11,307
Cash and cash equivalents	42,412	0	42,412	42,412
	96,085	**0**	**96,085**	**96,085**
Financial liabilities				
Convertible debt instruments	0	8,523	8,523	8,523
Liabilities to credit institutions	0	276,032	276,032	276,032
Leasing liabilities	0	4,009	4,009	4,009
Other long-term liabilities	0	59,316	59,316	59,316
Accounts payable	0	10,234	10,234	10,234
Other short-term liabilities	0	9,047	9,047	9,047
Accrued cost	0	86,855	86,855	86,855
	0	**454,016**	**454,016**	**454,016**

We have determined that the fair value and the carrying value of all categories are in the same amounts; e.g. interest rates are in line with market interest rates.

Group notes

Note 18 Prepaid expenses and accrued income

Prepaid rent for premises	1,179	1,510
Prepaid leasing fees	280	379
Prepaid insurance premiums	187	247
Accrued consulting and contract revenues	7,962	7,225
Insurance receivable	303	0
Other items	1,328	1,946
Carrying value	**11,149**	**11,307**

Note 19 Cash and cash equivalents

	2023-12-31	2022-12-31
Cash and cash equivalents	38,661	42,412
Carrying value	**38,661**	**42,412**

Note 20 Group companies

The parent company Clavister Holdings AB's holdings in direct and indirect subsidiaries covered by the consolidated financial statement are listed in the table below.

Company	Type of operations	Participation 2023	Participation 2022
Clavister Holding AB	Parent company, stock management	Parent company	Parent company
Clavister AB	Developmen and sales company	100%	100%
Clavister GmbH	Sales company	100%	100%
Omen Technologies AB	Development company	100%	100%
PhenixID AB	Developmen and sales company	100%	100%

There are limits to the group's ability to access the capitalized development expenditures placed in a restricted development reserve by the subsidiaries Clavister AB, PhenixID AB and Omen Technologies AB. The amount was TSEK 94 840 (94 826 TSEK) as of December 31, 2023. The mutual fund will be dissolved at the same rate as the company makes depreciations, impairments or divests the asset. For the activated development costs, divestments will begin in the current year. The development costs will be written off over 3-5 years.

Note 21 Equity

Share capital

On December 31, 2023, registered share capital stood at 56 530 354 shares (56 530 354) with a quota value of SEK 0.10 (0.10). Shareholders are entitled to dividends determined continuously and the shareholding entails voting rights at the general meeting, with one share giving one vote. All shares have the same right to Clavister's remaining net assets. All stocks are fully paid and no stocks are reserved for transfer.

Other capital contributions

Other deferred capital consists of capital deferred by Clavister's owner.

Reserves

Reserves consist entirely of exchange rate differences from conversions from foreign operations.

Note 22 Long-term liabilities/liabilities to credit institutions

None of the group's long-term liabilities are due later than five years from the balance sheet date

In 2018, the subsidiary Clavister AB received two loans from the EIB, one for MEUR 10, and one for MEUR 5. In October 2019, an additional loan was received from the same lender for MEUR 5. The repayment plan for these loans was renegotiated in 2023 and repayment will now take place on an ongoing basis during the period 2024-2028. These loans are linked to the free-of-charge warrants with an issue price of SEK 0.10. The number of share warrants stands at 3,756,714 (3,756,714) and each warrant bestows the right to subscribe to one share in the company.

The interest liability MSEK 69.6 (55.1) linked to the non-current part of the liabilities to credit institutions forms part of the line item.

Note 23 Accrued expenses and prepaid income

	2023-12-31	2022-12-31
Accrued pay-related liabilities	8,954	11,673
Accrued interest	12,225	1,826
Prepaid income	67,567	64,375
Accrued outer items	7,683	8,981
Carrying value	**96,429**	**86,855**

Group notes

Note 24 Statement of cash flows

Adjustment for non-cash items	2023	2022
Reversal of depreciation	48,295	41,021
Reversal of gains on disposal of leases	0	-615
Reversal of accrued financial cost loans	1,649	19,318
Reversal of exchange rate difference	-500	18,028
Reversal of interest on loan from EIB	14,510	17,190
Reversal estimated interest on convertible loans	473	654
Carrying value	**64,427**	**95,597**

Changes in liabilities arising from financing activities	Opening balance 2023	Cash flow	Reclassification from non-current to current liability	Re-valuationsr	Misc.	Closing balance 2023
Current financial liabilities (excl. leasing liabilities)	5,564	0	61,012	0	0	66,576
Non-current financial liabilities (excl. leasing liabilities)	270,467	-15,799	-61,012	-1,095	26,798	219,358
Leasing liabilities	4,009	14,327	0	0	0	18,335
Total liabilities from financing activities	**280,040**	**-1,473**	**0**	**-1,095**	**-26,798**	**304,269**

Changes in liabilities arising from financing activities	Opening balance 2022	Cash flow	Reclassification from non-current to current liability	Re-valuationsr	Misc.	Closing balance 2022
Current financial liabilities (excl. leasing liabilities)	9,728	0	-4,164	0	0	5,564
Non-current financial liabilities (excl. leasing liabilities)	222,588	-3,009	-5,564	18,028	38,424	270,467
Leasing liabilities	8,842	-4,790	0	0	-43	4,009
Total liabilities from financing activities	**241,158**	**-7,799**	**-9,728**	**18,028**	**38,381**	**280,040**

Group notes

Note 25 Pledged collateral

	2023-12-31	2022-12-31
Pledged accounts receivable	8,487	3,617
Cash and cash equivalents	1,000	0
Other pledged assets	400	121
Total	**9,887**	**3,738**

Note 26 Contingent liability

	2023-12-31	2022-12-31
No contingent liabilties	0	0
Total	**0**	**0**

Note 27 Transactions with related parties

Subsidiaries	Sales of goods / services	Sales of goods / services	Misc.	Receivables on balance sheet date	Liabilities on balance sheet date
2023	21,547	21,547	0	0	0
2022	19,042	19,042	0	0	0

The companies in the group have few transactions between them.

Transactions with the Board, aside from the agreed board fee, include consultancy fees; see Note 6 regarding remuneration as salary. For more information regarding remuneration for executives, see Note 7 Employee and personnel costs.

Note 28 Financial risks

The group is, through its operations, subject to different forms of financial risk: credit risks, market risks and liquidity risks. The group's general risk management is focused on the unpredictability of the financial markets and strives to minimize potentially adverse effects on the group's financial results.

Credit risk

Credit risk is the risk that the group's counterparty in a financial instrument will not be able to fulfil its obligation, which in turn would cause the group a financial loss. The group has a limited concentration of credit risks.

Credit risk in accounts receivables

The largest share of turnover takes place in the subsidiary Clavister AB, where there are guidelines for ensuring that the selling of products and services is done to customers with an approved credit background. The credit assessment is made by an external party based on the estimated sales or credit limit and takes place within the scope of a signed framework agreement. If the customer is approved by the factoring company, the invoice is purchased and a settlement equivalent to 90% of the invoice's value is paid to Clavister AB in the currency in which the invoice is issued. Credit limit is withdrawn by the supplier if the customer invoice has been overdue for more than 30 days. A credit insurance is linked to the customer invoice through the company's factoring agreement. The factoring agreement makes the company free of liability to 90% in the case of bankruptcy (non-payment). Once the customer has paid the factoring company, the remaining 10% are paid. The client's payment conditions varies between prepayment, 30 and 60 days depending on the credit background. For our subsidiary, PhenixID, where around 90% of sales are conducted with Nordic customers and the remaining portion to northern Europe, the credit risk is considered very low as the customers are stable and recurring, and the relationship has lasted for a long time. Credit losses totaled TSEK 151 (37).

Credit risks due to prepayment to supplier

The subsidiary Clavister AB issues prepayments for suppliers for the purchase of hardware, known as appliances. The suppliers are Asian (Taiwan) and Swedish. Payment is in USD and SEK. Advance payments can be made in cases where the supplier relationship is relatively new and in cases of larger orders. Other companies in the group do not make advance payments.

Age analysis for non-impaired receivables on the balance sheet date. The credit quality of receivables not overdue or impaired is assessed as good.

	2023-12-31	**2022-12-31**
Not due accounts receivable	19,208	27,987
Due receivables 1-30 days	10,410	6,598
Due receivables 31-90 days	4,246	9
Due receivables >90 days	2,847	1,669
Redovisat värde	**36,711**	**36,262**

Provisions were made during the year using the model for expected credit losses

Provision for credit losses on receivables	**2023-12-31**	**2022-12-31**
Opening carrying value	546	494
Reversal of previously made provisions	-39	-29
Adjustment due to exchange rate changes	-47	40
Provisions for the year	189	42
Closing carrying value	**650**	**546**

Market risks

Market risk is the risk of fluctuations in fair value or future cash flows from a financial instrument due to changes in market prices. IFRS divides market risks into three types: currency risks, interest risks and other pricing risks. The market risks primarily affecting the group mainly consists of currency risks.

Currency risk

Currency risk is the risk of fluctuations in fair value or future cash flows from a financial instrument due to changes in foreign exchange rates. The primary exposure stems from the Group's sales, product purchases and royalty payments in foreign currency. This exposure is called transaction exposure. Royalties are reported in the Goods for resale line in the consolidated income statement. Currency risks can also be found in the translation of foreign operation's assets and liabilities to the parent company's functional currency, known as translation exposure. Translation exposure arises through the company's subsidiary Clavister GmbH as the translation of assets and liabilities takes place from EUR to SEK.

Transaction exposure

For the Swedish companies in the group, a risk arises as payments for conducted sales are made in foreign currencies such as USD and EUR. Personnel costs are primarily counted in Swedish currency. The group's financial transaction exposure is however limited by the fact that sales are made in the currencies SEK, USD and EUR, regulated in customer agreements. Product imports, which take place mainly in USD, can be netted against the company's payment inflow / customer payments in USD. The group's overarching goal for financial risks is to minimize them by netting the incoming and outgoing flows of payment.

The sensitivity analysis for transaction exposure is based on operating revenues and costs. It shows theoretically how profit/loss before income tax would be affected by a change of 5 percentage points compared to all other currencies in EUR and USD. An increase in the EUR exchange rate against SEK by +5% would have a positive effect of TSEK 1,827 (1,970) on profit/loss before income tax, while a decrease would have a negative effect of TSEK -1,827 (-1,970). For USD, an increase in the USD exchange rate against SEK of +5% would have a negative impact TSEK 483 (-1,091) on profit/loss before income tax, while a decrease of 5% would have a positive effect of TSEK 483 (1,091).

	2023		2022	
Currency exposure (%)	**Operating earnings**	**Operating costs**	**Operating earnings**	**Operating costs**
SEK	53%	73%	52%	71%
EUR	40%	16%	44%	14%
USD	7%	11%	4%	14%
GBP	0%	0%	0%	1%

Transaction exposure sensitivity analysis

EUR	**Change in EUR exchange rate**	**Impact on gross profit**
2023	5,0%	1,827
2022	5,0%	1,970

USD	**Change in USD exchange rate**	**Impact on gross profit**
2023	5,0%	-483
2022	5,0%	-1,091

Interest risk

Interest risk is the risk that fair value or future cash flows from a financial instrument varies due to changes in market interest rates. A major factor affecting the interest risk is the fixed interest term.

The convertible debenture loan of MSEK 10 matures on May 31, 2027. There is an interest rate risk associated with the convertible debenture loan as the interest rate is based on STIBOR 90 +2.5%. STIBOR is influenced by changes in the central bank's policy rate, and the risk increases as the central bank has raised the policy rate during 2023. Consequently, the interest payments for the convertible debenture loan also increase. The group has taken advantage of the option for deferred tax payments through the Covid-19 support that has been granted. The deferred tax payments carry interest decided by the parliament, decisions that are influenced by the current market situation, thus presenting an interest rate risk. Interest on the deferred tax payments is paid when repayment occurs. In total, deferred tax payments within the group amount to TSEK 76,493 (59,316). Loans to external financier, EIB, totaling TSEK 285,934 (277,681), are exposed to interest rate risk, where interest rates according to the agreement are affected by reference rates, which have risen across a broad spectrum, thereby also increasing the interest rate risk. Given interest-bearing debts as of the balance sheet date, an interest rate increase of 2 percentage points on the balance sheet date would impact the net interest for the full year before tax by approximately TSEK 6,057 (4,651).

The conditions and final repayment dates for each respective interest-bearing liability are specified in the table below:

	Currency	Maturity	Interest	Carrying value 12/31/2023	Carrying value 12/31/2022
Convertible debt instrument - Norrlandsfonden	SEK	2027-05-31	Variable	8,996	8,523
Deferred tax payment - Covid 19 liquidity support	SEK	See note 29	Variable	76,493	59,316
Liability to external creditor - EIB	EUR	See note 29	Variable	144,752	141,733
Liability to external creditor - EIB	EUR	See note 29	Variable	75,817	73,215
Liability to external creditor - EIB	EUR	See note 29	Variable	65,365	62,733
				371,423	**345,520**

Price risk

The company's product purchases make up a smaller part of the actual product cost. Software development costs, consisting of staff costs (which is also activated according to the requirements in IAS38) is absolutely dominant. Customer price lists are updated and the customer is usually notified three months in advance. This means that both increased prices and currency changes can affect the costs of product purchasing and royalty costs. Royalties are mainly paid in EUR.

Liquidity risk

Liquidity risk is the risk that the group will have difficulty fulfilling its obligations related to financial liabilities.

Clavister has a convertible loan that was taken out in 2022 with a due date of 5/31/2027. When the convertible loan was taken out, the agreed conversion price was set at SEK 5.61 per share, to compare with Clavister Holding AB's closing price of SEK 2.93 on 12/31/2022. The lender has the right to request conversion of all or part of the amount up until the due date; if this right is exercised, liquidity will not be affected. The maturity of the convertible debt instruments is 5 years and will run until 31/05/2027.

In 2023, Clavister took advantage of the opportunity to further strengthen liquidity through the expanded Covid-19 related support program concerning deferrals of tax payments related to VAT and employer contributions. Along with previously granted deferrals in 2022, the total deferrals amount to 76.5 MSEK. For further information regarding the repayment of the deferrals, see note 29.

The group's contractual and undiscounted interest payments and repayments of financial liabilities are specified in the table below. Amounts in foreign currencies have been translated to SEK using the exchange rate on the balance sheet date. Financial instruments with variable interest have been calculated using the interest reported on the balance sheet date. Liabilities have been included in the period when repayment may be required at the earliest.

	2023-12-31			
Maturity analysis	**<1 år**	**1-5 år**	**>5 år**	**Total**
Interest-bearing liabilities	158,697	232,726	0	391,423
Liabilities to leasing companies in accordance with IFRS 16*	3,338	14,997	0	18,335
Trade accounts payable	16,725	0	0	16,725
Other short-term liabilities	101,474	285	0	101,759
	280,235	**248,009**	**0**	**528,244**

	2022-12-31			
Maturity analysis	**<1 år**	**1-5 år**	**>5 år**	**Total**
Interest-bearing liabilities	5,564	338,307	0	343,871
Liabilities to leasing companies in accordance with IFRS 16*	3,830	179	0	4,009
Trade accounts payable	10,234	0	0	10,234
Other short-term liabilities	96,192	383	0	96,574
	115,820	**338,869**	**0**	**454,668**

* All liabilities to leasing companies under IFRS 16 refer to premises, vehicles and computers.

Capital risk

The group's objective regarding the capital structure is to safeguard the group's ability to continue its operations, and to maintain a capital structure that keeps the cost of capital down, against this background. For a development company like Clavister, the asset-based collateral base for borrowing is limited. The group's strategy for 2023, which remained unchanged from 2022, was to improve net cash.

On December 31, 2023, net financial cash totaled MSEK 302 (-254).

Refinancing risk

Refinancing risk is the risk that liquid funds are not available and that financing may only be obtained in part or not at all, or at an increased cost.

If the group cannot obtain, or only obtains financing on unfavorable terms, it would have a severely negative impact on the company's operations, profit and financial position.

The group's refinancing risk can be the taking of loans, convertible loans or through the issuance of new stocks as decided by the general meeting.

In order to limit the refinancing risk, the group uses multiple sources of funding and makes an effort to spread out the maturities for the loans. For one of the loans that the group has taken out, repayment shall be made by issuing new shares through the financiers obtaining of new options in connection with the payment of the loan, which means that the liquidity will remain unaffected in this case.

The group works continuously to ensure the possibility to take out new loans when needed, as well as renegotiate current loans and agreements.

Liquidity is ensured both through the inclusion of interest-bearing liabilities and share warrants and issuing new shares. There has been no change to the group's management of capital over the course of the year. External capital requirements leveled against the group regarding indebtedness and new loans potentially being taken.

Note 29 Events following the end of the financial year

The rights issue announced in December 2023 was approved at the extraordinary general meeting held on January 9. The rights issue was subscribed to 100% and raised net cash of 142 MSEK.

In February, the European Investment Bank (EIB) and Clavister AB signed the updated repayment plan announced at the end of 2023. The repayment plan spans the period 2024-2028, where previously full repayment was to be made by 2026. This provides an updated repayment schedule as follows, with continued unchanged conditions regarding interest rates. The accrued interest related to the loans will be repaid in the fourth quarter of 2028.

The amortization schedule according to the new agreement:

In 2024, 0.25 MEUR is amortized in the first quarter and 0.8 MEUR in the fourth quarter.

In 2025, 0.375 MEUR is amortized in the first quarter and 0.8 MEUR in the fourth quarter.

In 2026, 1.125 MEUR is amortized in the first quarter and 3.0 MEUR in the fourth quarter.

In 2027, 3.5 MEUR is amortized in the first quarter and 2.9 MEUR in the fourth quarter.

In 2028, 3.625 MEUR is amortized in the first quarter and 3.126 MEUR in the fourth quarter.

Clavister has received a deferral of payment of taxes related to VAT and employer contributions in accordance with available covid-19 support, totalling SEK 76.5 million. During the end of 2023 and the beginning of 2024, the Swedish Tax Agency has approved instalment plans for 36 months for 55.3 MSEK, and the application for an instalment plan for the remaining 21.2 MSEK will be made during the second half of 2024.

Parent company's income statement

SEK in thousands	Not	2023	2022
Net sales	3	9,000	6,000
Other operating income	4	4	3
Operating income		**9,004**	**6,003**
Other external expenses	5,6	-5,431	-3,917
Employee benefit expenses	7	-13,396	-13,272
Other operating expenses		-5	-2
Operating profit		**-9,827**	**-11,188**
Other interest income and similar profit/loss items	8	23	11
Interest expenses and similar profit/loss items	8	-2,164	-985
Profit/loss before appropriations and taxes		**-11,968**	**-12,162**
Group contributions		-29,900	-65,500
Tax on the year's earnings	9	97	-279
Profit for the year		**-41,771**	**-77,941**

Parent company's statement of comprehensive income

SEK in thousands	Not	2023	2022
Profit for the year		**-41,771**	**-77,941**
Other comprehensive income		0	0
Total comprehensive income for the year		**-41,771**	**-77,941**

Parent company's balance sheet

SEK in thousands	Note	2023-12-31	2022-12-31
Assets			
Fixed assets			
Shares in group companies	10	462,274	414,174
Receivables with group companies	11	8,000	1,550
Total fixed assets		**470,274**	**415,724**
Current assets			
Other receivables	12	4	22
Tax receivable		100	0
Prepaid expenses and accrued income	13	353	352
Cash and cash equivalents	14	16,734	4,361
Total current assets		**17,191**	**4,734**
TOTAL ASSETS		**487,465**	**420,459**

SEK in thousands	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	**15**		
Restricted equity			
Capital stock		5,653	5,653
		5,653	5,653
Non-restricted equity			
Share premium reserve		0	2,954
Accumulated profit or loss		106,710	181,697
Profit for the year		-41,771	-77,941
		64,939	106,710
Total equity		**70,592**	**112,363**
Liabilities			
Non-current liabilities			
Other liabilities	16	467	4,283
Convertible debt instruments	16	8,996	8,523
Liabilities with group companies	11	376,462	291,462
Total non-current liabilities		**385,925**	**304,268**
Provisions			
Deferred tax liabilities	9	285	383
Total provisions		**285**	**383**
Current liabilities			
Trade accounts payable		1,235	454
Current tax liabilities	9	0	409
Other liabilities	17	26,814	554
Accrued expenses and prepaid income	18	2,613	2,027
Total current liabilities		**30,662**	**3,445**
Total liabilities		**416,873**	**308,096**
TOTAL EQUITY AND LIABILITIES		**487,465**	**420,459**

Parent company report of changes in equity

	Restricted equity	Non-restricted equity			
SEK in thousands	Capital stock	Share premium reserve	Accumulated profit or loss	Profit for the year	Total Equity
Opening equity on January 1, 2022	**5,653**	**190,360**	**287,812**	**-296,475**	**187,350**
Reversal of previous year's earnings	0	-190,360	-106,115	296,475	0
Profit for the year	0	0	0	-77,941	-77,941
Other comprehensive income for the year	0	0	0	0	0
Comprehensive income for the year	**0**	**0**	**0**	**-77,941**	**-77,941**
Current capital issue	0	3	0	0	3
Equity, convertible share	0	1,858	0	0	1,858
Share-based compensation	0	1,093	0	0	1,093
Total transactions with owners	**0**	**2,954**	**0**	**0**	**2,954**
Closing equity on December 31, 2022	**5,653**	**2,954**	**181,697**	**-77,941**	**112,363**
Opening equity on January 1, 2023	**5,653**	**2,954**	**181,697**	**-77,941**	**112,363**
Reversal of previous year's earnings	0	-2,954	-74,987	77,941	0
Profit for the year	0	0	0	-41,771	-41,771
Other comprehensive income for the year	0	0	0	0	0
Comprehensive income for the year	**0**	**0**	**0**	**-41,771**	**-41,771**
Current capital issue	0	0	0	0	0
Equity, convertible share	0	0	0	0	0
Share-based compensation	0	0	0	0	0
New capital issue	0	0	0	0	0
Issue costs	0	0	0	0	0
Total transactions with owners	**0**	**0**	**0**	**0**	**0**
Closing equity on December 31, 2023	**5,653**	**0**	**106,710**	**-41,771**	**70,592**

Parent company report over cash flow

SEK in thousands	Note	2023	2022
Cash flow from operating activities			
Profit/loss before appropriations and taxes *		-11,968	-12,162
Adjustment for non-cash items	19	473	654
Cash flow from operating activities before changes in working capital		**-11,495**	**-11,508**
Cash flow from changes in working capital			
Changes in operating receivables		-83	383
Changes in operating liabilities		3,401	1,639
Cash flow from operating activities		**-8,177**	**-9,486**
Investing activities			
Investments in subsidiary shares	10	-48,100	-14,093
Cash flow from investing activities		**-48,100**	**-14,093**
Financing activities	19		
Borrowings		20,000	10,000
Amortization of loan		0	-10,000
Group contributions rendered		-29,900	-65,500
Contributions due to share-based compensation		0	1,093
New capital issue		0	3
Increase of debt from subsidiaries		78,500	78,500
Cash flow from financing activities		**68,650**	**14,096**
Cash flow for the year		**12,373**	**-9,484**
Cash and cash equivalents at the beginning of the year		4,361	13,845
Cash and cash equivalents at the end of the year		**16,734**	**4,361**

* The item ”Profit/loss before appropriations and taxes” includes interest received in the amount of TSEK 11 (11) and interest paid in the amount of TSEK -123 (-123).

Parent company notes

Note 1 The parent company's accounting principles

The parent company has prepared its annual financial report in accordance with the Annual Accounts Act (1995:1554) and recommendation RFR 2 "Redovisning för juridisk person" (Reporting for legal person) by Rådet för finansiell rapportering (The Board for Financial Reporting)".

The differences between the group's and the parent company's accounting principles are listed below. The accounting principles listed below have been consistently applied for all periods presented in the parent company's financial reports, unless otherwise stated.

Subsidiaries

Shares in subsidiaries are reported in the parent company in accordance with the cost method, reduced by any impairments.

Financial instruments

In view of the relationship between accounting and taxation, the rules on financial instruments according to IFRS 9 are not applied in the parent company as a legal entity, but the parent company applies the acquisition cost method in accordance with ÅRL. This means that in the parent company, financial fixed assets are valued at the acquisition cost minus any impairments and financial current assets according to the principle of lowest value.

Group contributions and shareholder contributions

Group contributions are transferred to the statement of operations as an appropriation. Shareholder contributions are transferred directly to the equity of the recipient and activated in shares and shares belonging to the donor, to the extent that impairment is not required.

Note 2 Significant estimates and assessments

In preparing its financial reports, the parent company has made substantial assumptions regarding the future results of all subsidiaries and their ability to generate returns. As the parent company essentially only has shares in the subsidiaries, it is also affected by the material estimates and assessments made by the group companies.

Shares in group companies

Under an assessment by the Board and company management, reported shares in group companies have financial advantages. An impairment test was carried out confirming the assessment and that the calculated recoverable value exceeds the carrying value. When conducting an impairment test of the shares in a group company, a number of significant assumptions and assessments are taken into account in order to calculate the value of the shares in use. These assumptions and assessments are attributed to the expected future discounted cash flows. Prognoses for future cash flows are based on the best possible assessments of future revenues and operating costs, based on historical developments, general market conditions, development and industry prognoses and other available information.

Impairment testing consists of assessing whether a unit's recoverable amount is greater than its carrying value. The recoverable amount has been calculated on the basis of the units value in use, which represents the present value of the unit's expected future cash flows without consideration to any future business expansions or restructuring.

The value in use calculation is based on:

1) Estimated WACC (weighted average cost of capital) prior to taxation has been the following:

- testing of Clavister AB 19,1 % (19,2)

- Testing of PhenixID AB 15,5 % (15,1)

2) A cash flow forecast for the coming 5 years (2024 to 2028) has been calculated for Clavister AB and PhenixID AB. The forecast is based on previous experiences and own assessments. The most important variables are annual sales growth and newly won contracts; assumptions concerning cost growth and sales growth were calculated in conjunction with impairment tests of between 10 - 30% per year.

3) Terminal value is calculated with a growth of 2% after 2028 in completed impairment tests.

Impairment testing conducted during the year has not resulted in any impairment affecting the group.

The important assumptions driving expected cash flows over the next five years consist of assessments conducted into growth in the cybersecurity market, the group's delivery capacity i.e. success in meeting the customer's demand with the product portfolio and planned product R&D works within the business areas the group has chosen to conduct marketing in; the values were chiefly estimated based on these variables. A rise in the discount factor of 1% would have an impact on assumptions on the need to recognize impairment of shares in Clavister AB. The assumptions are drawn up by company management and reviewed by the Board. The year's impairment tests resulted in impairments of MSEK 0 (200) in the parent company relating to the book values of shares in group companies.

Parent company notes

Note 3 Net sales distribution

The parent company's net sales consist in their entirety of invoicing between the parent company and its subsidiaries Clavister AB andPhenixID AB in respect of management fees; all sales have taken place within Sweden.

Note 4 Other operating income

Other operating income	2023	2022
Exchange rate gains relating to operation	4	3
Summa	**4**	**3**

Note 5 Other external costs

Other external costs consists mainly of board fees of TSEK 1,024 (963), legal fees of TSEK 1,417 (445), and costs to Certified Advisor of TSEK 170 (184).

Note 6 Auditor fees

The majority of the fees to auditors are reported in the Parent Company, TSEK 582 (377), the remainder are reported in the subsidiaries Clavister AB and PhenixID AB, as specified in group note 5.

Note 7 Employees and personnel costs

For salaries and remuneration for employees and senior executives, as well as information about the number of employees, see group note 7.

Note 8 Financial income and expenses

Interest income	23	11
Total	**23**	**11**

Interest expense and similar items	2023	2022
Interest costs	-2,164	-985
Total	**-2,164**	**-985**

Parent company notes

Note 9 Taxes

Income statement

Current tax expense	**2023**	**2022**
Tax expense for the year	0	0
Change in deferred tax liability referring to deficit deduction	0	0
	0	**0**

Deferred tax		
Deferred tax relating to temporary differences	97	0
Deferred tax on deficit deduction	0	-279
	97	-279
Tax recognized in the income statement	**97**	**-279**

Deferred tax recognized under other comprehensive income for the year		
	0	0
Tax recognized in other comprehensive income	**0**	**0**

Reconciliation of effective tax rate	**2023**	**2022**
Earnings before tax	**-41,868**	**-77 662**
Tax rate applicable to the parent company 20,6 (20,6%)	8,625	15 998
Tax effect of:		
Non-taxable income	2	1
Non-deductible expenses	-22	16
Non-deductible interest expenses	-174	-155
Impairment of tax assets relating to deficit deduction	97	-279
Increased deficit deduction not recognized as a receivable	-8,431	-15 860
Reported tax	**97**	**-279**
Effective tax rate (%)	-0.2%	0.4%

The table below specifies the tax effect of the temporary difference:

Deferred tax asset/tax liability	**2023**	**2022**
Convertible debt instruments	285	383
Carrying value	**285**	**383**

Specification of changes in deferred tax liability:

	2023	2022
Opening carrying value	-383	-104
Impairment of tax assets relating to deficit deduction	97	-279
Closing carrying value for deferred tax asset/tax liability	**-285**	**-383**

Note 10 Shares in Group companies

	2023-12-31	2022-12-31
Opening acquisition cost	414,174	400,082
Acquisitions for the year	0	1,092
Shareholder’s contribution for the year	48,100	13,000
Closing accumulated acquisition costs	**462,274**	**414,174**
Impairment loss for the year	0	0
Closing carrying value	**462,274**	**414,174**

Further information is found in Note 2 and under “Shares in group companies”. Impairment testing has been conducted in Clavister AB. See also Note 16 (KC).

Companies and Corp. No (C.I.N.)	Registered office	Equity share	Equity on 12/31/2023	Earnings 2023	Book value 12/31/2023	Book value 12/31/2022
Clavister AB (556546-1877)	Örnsköldsvik	100%	77,475	-22,348	345,455	300,455
PhenixID AB (556987-6310)	Stockholm	100%	18,042	-1,689	101,550	98,450
Omen Technologies AB (559228-0647)	Göteborg	100%	226	-41	15,269	15,269

Parent company notes

Note 11 Receivablers and liabilities with group companies

	Counterpart	12/31/2023	12/31/2022
Opening liability	Clavister AB	-291,462	-199,462
Additional receivables	Clavister AB	0	0
Additional liabilities	Clavister AB	-85,000	-92,000
Closing liability Clavister AB		**-372,462**	**-291,462**

	Counterpart	12/31/2023	12/31/2022
Opening liability	PhenixID AB	1,550	-11,950
Additional receivables	PhenixID AB	6,450	13,500
Additional liabilities	PhenixID AB	0	0
Closing asset/liability PhenixID AB		**8,000**	**1,550**

Closing liability group companies	**-368,462**	**-289,912**

Note 12 Other receivables

	12/31/2023	12/31/2022
Otehr receivables	4	22
Carrying value	**4**	**22**

Note 13 Prepaid expenses and accrued income

	12/31/2023	12/31/2022
Leasing costs	38	54
Other accrued costs	315	298
Carrying value	**353**	**352**

Note 14 CAsh and cash equivalents

	12/31/2023	12/31/2022
Cash and cash equivalents	16,734	4,361
Carrying value	**16,734**	**4,361**

Note 15 Equity

As of December 31, 2023, capital stock consists of 56,530,350 (56,530,350) shares with a quota value of SEK 0.10 (0.10). See also disclosures in group note 22 Equity.

The shareholders have made unconditional shareholder contributions of SEK 571,127,833 (523,027,833).

Note 16 Long-term liabilities

	12/31/2023	12/31/2022
Convertible loan	8,996	8,523
Deferred amount, withholding tax and Social Security contributions	467	4,283
Liabilities with group companies	376,462	291,462
Carrying value	**385,925**	**304,268**

Parent company notes

Note 17 Other liabilities

	12/31/2023	12/31/2022
Employee withholding taxes	285	281
Statutory social security contributions	199	195
Accrued payroll tax	361	0
Deferred amount withholding tax and social security contributions	5,954	0
Short-term loan	20,000	0
Other liabilities	14	79
Carrying value	**26,814**	**554**

Note 18 Accrued expenses and prepaid income

	12/31/2023	12/31/2022
Accrued pay-related liabilities	904	1,530
Accrued interests	1,194	0
Accrued other items	515	498
Carrying value	**2,613**	**2,027**

Note 19 Cash flow analysis

Adjustment for non-cash items	2023	2022
Impairment	0	0
Estimated interest on convertible loans	473	654
Carrying value	**473**	**654**

Note 20 Pledged collateral

There are no pledged collaterals in the current year or in the previous year.

Note 21 Contingent liabilty

There are no contingent liabilities, nor any contingent liabilities from the previous year.

Note 22 Transactions with related parties

Transactions with subsidiaries	Counterpart	2023	2022
Sales of services	Clavister AB	6,000	6,000
Purchase of goods/services	Clavister AB	0	0
Group contributions	Clavister AB	45,000	80,000
Change in settlement account	Clavister AB	-85,000	12,000
Receivable on balance sheet date	Clavister AB	0	0
Liability on balance sheet date	Clavister AB	-376,462	-291,462
Group contribution received	PhenixID AB	-15,100	-14,500
Sales of services	PhenixID AB	3,000	0
Change in settlement account	PhenixID AB	6,450	-13,500
Receivable on balance sheet date	PhenixID AB	1,550	1,550

For information regarding remuneration for executives, see group Note 7 Employee and personnel costs.

Note 23 Proposed appropriation of profits

The following parent company assets (SEK) are at the annual general meeting's disposal	
Share premium reserve	0
Accumulated profit or loss	106,710,027
Profit for the year	-41,770,583
	64,939,444

The amount of SEK 64,939,444 was carried forward.

Board signatures

The consolidated financial statements and the annual report were approve fopr issue by the Board of Directors on May 6, 2024. The Board of Directors and the CEO hereby verify that the consolidated financial statement and annual report have been prepared pursuant to International Financial Reporting Standards, IFRS, as adopted by the EU, and generally accepted accounting principles and that they provide an accurate account of the group's and parent company's position and profit/losses; and that the statutory administration report provides an accurate overview of the development of the group's and parent company's operations, positions and profit/losses, as well as describing material risks and uncertainties facing the parent company and the companies included in the group.

Örnsköldsvik May 6, 2024

Andreas Hedskog
Chairman of the Board

Staffan Dahlström
Board Member

Stina Slottsjö
Board Member

John Vestberg
Chief Executive Officer

Our audit report has been submitted on May 6, 2024
Öhrlings PriceWaterhouseCoopers AB

Claes Sjödin
Authorized Public Accountant